

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON AUGUST 27, 1996

REGISTRATION NO. 333-

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM S-3  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

STEIN MART, INC.  
(Exact Name of Registrant as Specified in Its Charter)

FLORIDA  
(State or Other Jurisdiction of Incorporation)                      64-046618  
(I.R.S. Employer Identification No.)

1200 RIVERPLACE BOULEVARD  
JACKSONVILLE, FLORIDA 32207  
(904) 346-1500  
(Address, Including Zip Code, and Telephone Number, Including Area Code, of  
Registrant's Principal Executive Offices)

JOHN H. WILLIAMS, JR.  
PRESIDENT AND CHIEF OPERATING OFFICER  
STEIN MART, INC.  
1200 RIVERPLACE BOULEVARD  
JACKSONVILLE, FLORIDA 32207  
(904) 346-1500  
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code,  
of Agent for Service)  
COPY TO:

LINDA Y. KELSO  
G. RAY DRIVER, JR.  
FOLEY & LARDNER  
200 LAURA STREET  
JACKSONVILLE, FLORIDA 32202  
(904) 359-2000

J. PAGE DAVIDSON  
BASS, BERRY & SIMS PLC  
2700 FIRST AMERICAN CENTER  
NASHVILLE, TENNESSEE 37238  
(615) 742-6200

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon  
as practicable after this Registration Statement becomes effective.

If the only securities being registered on this Form are being offered  
pursuant to dividend or interest reinvestment plans, please check the following  
box. / /

If any of the securities being registered on this Form are to be offered on  
a delayed or continuous basis pursuant to Rule 415 under the Securities Act of  
1933, other than securities offered only in connection with dividend or interest  
reinvestment plans, check the following box. / /

If this Form is filed to register additional securities for an offering  
pursuant to Rule 462(b) under the Securities Act, please check the following box  
and list the Securities Act registration statement number of the earlier  
effective registration statement for the same offering. / /

If this Form is a post-effective amendment filed pursuant to Rule 462(c)  
under the Securities Act, check the following box and list the Securities Act  
registration statement number of the earlier effective registration statement  
for the same offering. / /

If delivery of the Prospectus is expected to be made pursuant to Rule 434,  
please check the following box. / /

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS 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(2)
Common Stock, \$0.01 par value....	4,025,000 shares	\$21.875	\$88,046,875	\$30,360.99

- (1) Includes up to 525,000 shares of Common Stock which the Underwriters have the option to purchase to cover over-allotments, if any.
- (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) based on the average of the high and low prices of the registrant's Common Stock as reported on The Nasdaq Stock Market's National Market on August 21, 1996.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

2

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

SUBJECT TO COMPLETION, DATED AUGUST 27, 1996

PROSPECTUS

3,500,000 SHARES

(LOGO) STEIN MART(R)

COMMON STOCK

The shares of Common Stock of Stein Mart, Inc. ("Stein Mart" or the "Company") offered hereby (the "Offering") are being sold by the selling stockholders named herein (the "Selling Stockholders"). See "Principal and Selling Stockholders and Stock Ownership of Management." The Company will not receive any of the proceeds from the sale of the shares offered hereby. The Company's Common Stock is traded on The Nasdaq Stock Market's National Market (the "Nasdaq National Market") under the symbol "SMRT." On August 26, 1996, the last reported sale price of the Common Stock on the Nasdaq National Market was \$23.50 per share. See "Price Range of Common Stock and Dividend Policy."

SEE "RISK FACTORS" APPEARING ON PAGES 5 THROUGH 7 OF THIS PROSPECTUS FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED BY PROSPECTIVE PURCHASERS OF THE COMMON STOCK OFFERED HEREBY.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE

CONTRARY IS A CRIMINAL OFFENSE.

	PRICE TO PUBLIC	UNDERWRITING DISCOUNT (1)	PROCEEDS TO SELLING STOCKHOLDERS (2)
Per Share.....	\$	\$	\$
Total(3).....	\$	\$	\$

- (1) The Company and the Selling Stockholders have agreed to indemnify the Underwriters against certain civil liabilities, including liabilities under the Securities Act of 1933, as amended. See "Underwriting."
- (2) Before deducting estimated expenses of \$200,000 payable by the Selling Stockholders.
- (3) One of the Selling Stockholders named herein has granted the Underwriters a 30 day over-allotment option to purchase up to 525,000 additional shares of Common Stock on the same terms and conditions as set forth above. If all such shares are purchased by the Underwriters, the total Price to Public will be \$ , the total Underwriting Discount will be \$ , and the total Proceeds to Selling Stockholders will be \$ . See "Underwriting."

The shares of Common Stock are offered subject to receipt and acceptance by the several Underwriters, to prior sale and to the Underwriters' right to reject any order in whole or in part and to withdraw, cancel or modify the offer without notice. It is expected that certificates for the shares of Common Stock will be available for delivery on or about , 1996.

J.C. Bradford & Co.  
NatWest Securities Limited  
Wasserstein Perella Securities, Inc.  
, 1996

3

Omitted Graphic and Image Material

The following is a narrative description of graphic and image material contained in the printed version of the prospectus which has been omitted from the version filed electronically.

Inside front cover:

1. The heading "Stein Mart - Map of Store Locations."
2. A map of the Continental United States with dots representing the location of each of the 110 Stein Mart stores as well as dots indicating stores to be completed during the remaining 1996.

Gatefold layout behind inside front cover:

1. Five pictures (clockwise from the upper left) depicting (i) an interior view of the "Boutique" section of a store, (ii) an interior view of ladies' merchandise, (iii) an exterior view of a store front, (iv) an interior view of ladies' sportswear and (v) an interior view of the "Exterior" department.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE COMMON

STOCK AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE NASDAQ NATIONAL MARKET OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

IN CONNECTION WITH THE OFFERING, CERTAIN UNDERWRITERS (AND SELLING GROUP MEMBERS) MAY ENGAGE IN PASSIVE MARKET MAKING TRANSACTIONS IN THE COMMON STOCK ON THE NASDAQ NATIONAL MARKET IN ACCORDANCE WITH RULE 10B-6A UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. SEE "UNDERWRITING."

FOR UNITED KINGDOM PURCHASERS: THE COMMON STOCK MAY NOT BE OFFERED OR SOLD IN THE UNITED KINGDOM OTHER THAN TO PERSONS WHOSE ORDINARY ACTIVITIES INVOLVE THEM IN ACQUIRING, HOLDING, MANAGING OR DISPOSING OF INVESTMENTS, WHETHER AS PRINCIPAL OR AGENT (EXCEPT IN CIRCUMSTANCES THAT DO NOT CONSTITUTE AN OFFER TO THE PUBLIC WITHIN THE MEANING OF THE PUBLIC OFFERS OF SECURITIES REGULATIONS 1995 OR THE FINANCIAL SERVICES ACT 1986), AND THIS PROSPECTUS MAY ONLY BE ISSUED OR PASSED ON TO ANY PERSON IN THE UNITED KINGDOM IF THAT PERSON IS OF A KIND DESCRIBED IN ARTICLE 11(3) OF THE FINANCIAL SERVICES ACT 1986 (INVESTMENT ADVERTISEMENTS) (EXEMPTIONS) ORDER 1995 OR IS A PERSON TO WHOM THE PROSPECTUS MAY OTHERWISE LAWFULLY BE PASSED ON.

2

4

#### PROSPECTUS SUMMARY

The following summary is qualified in its entirety by reference to the more detailed information and financial statements, including the notes thereto, appearing elsewhere or incorporated by reference in this Prospectus. Except as otherwise indicated, all information in this Prospectus assumes no exercise of the Underwriters' over-allotment option. All references in this Prospectus to the "Company" or "Stein Mart" refer to Stein Mart, Inc., a Florida corporation.

#### THE COMPANY

Stein Mart is a 110-store retailer offering fashionable, current-season, primarily branded merchandise comparable in quality and presentation to that of traditional department and fine specialty stores at prices typically 25% to 60% below those regularly charged by such stores. The Company's focused assortment of merchandise features moderate to designer brand-name apparel for women, men and children, as well as accessories, gifts, linens, shoes and fragrances. During the last five years, the Company has more than doubled the number of Stein Mart stores from 45 in 15 states at year-end 1991 to 110 in 20 states at August 26, 1996.

The Company's strategy is to (i) increase the total number of stores by opening new stores in selected markets across the country, (ii) maintain the quality of merchandise, store appearance, merchandise presentation and customer service levels typical of traditional department and fine specialty stores, and (iii) offer value pricing to its customers through its vendor relationships, tight control over corporate and store expenses and efficient management of inventory.

Stein Mart opened 20 new stores in 1995, and plans to open 24 new stores in 1996 (of which 11 were open as of August 26, 1996), 25 to 28 in 1997, and approximately 25 to 30 in each of the next several years thereafter. The Company has made substantial investments in information systems, store facilities and management personnel to support its continued expansion. Stores will be added in new metropolitan markets, including those markets with the potential for multiple stores, and in existing markets to capture advertising and management operating efficiencies. The Company locates its stores, which average approximately 38,000 gross square feet, primarily in neighborhood shopping centers, ideally with co-tenants that cater to a similar customer base.

#### THE OFFERING

Common Stock offered by the Selling Stockholders.....	3,500,000 shares
Common Stock outstanding before the Offering.....	22,593,767 shares(1)
Common Stock outstanding after the Offering.....	22,893,767 shares(2)

Use of proceeds..... The Company will not receive any proceeds from the sale of Common Stock offered hereby.

Nasdaq symbol..... SMRT  
 - -----

- (1) Excludes 2,511,657 shares of Common Stock reserved for issuance upon exercise of options outstanding under the Company's stock option plans at August 26, 1996.
- (2) Includes the sale in the Offering by one of the Selling Stockholders of 300,000 shares of Common Stock to be issued upon the exercise of options under the Company's Employee Stock Plan, thereby reducing to 2,211,657 the number of shares of Common Stock reserved for issuance upon exercise of options outstanding under the Company's stock option plans.

SUMMARY FINANCIAL AND OPERATING DATA  
 (IN THOUSANDS, EXCEPT PER SHARE AND SELECTED OPERATING DATA)

	FISCAL YEAR ENDED			SIX MONTHS ENDED(1)	
	DECEMBER 31, 1993	DECEMBER 31, 1994	DECEMBER 30, 1995	JULY 1, 1995	JUNE 29, 1996
				(UNAUDITED)	
STATEMENT OF INCOME DATA:					
Net sales.....	\$342,730	\$419,220	\$496,006	\$204,239	\$257,917
Income from operations.....	27,920	31,213	30,408	6,925	12,383
Net income.....	16,682	18,419	17,758	3,968	7,148
Net income per share(2).....	\$ 0.70	\$ 0.78	\$ 0.76	\$ 0.17	\$ 0.31
Weighted average shares					
outstanding(2).....	23,895	23,721	23,454	23,586	23,430
SELECTED OPERATING DATA:					
Stores open at end of period.....	66	80	100	89	109
Average sales per store					
(000's) (3) (4).....	\$ 6,429	\$ 6,335	\$ 6,129	\$ 2,700	\$ 2,708
Average sales per square foot of					
selling area(4) (5).....	\$ 205	\$ 196	\$ 189	\$ 83	\$ 84
Comparable store net sales increase					
(decrease) (6).....	2.3%	2.4%	(0.7)%	(2.6)%	6.8%

JUNE 29,  
1996  
-----  
(UNAUDITED)

BALANCE SHEET DATA:	
Working capital.....	\$ 93,933
Total assets.....	196,406
Long-term debt, less current portion.....	28,527
Total stockholders' equity.....	106,647

- (1) The business of the Company is seasonal, and results for any period within a fiscal year are not necessarily indicative of the results that may be achieved for a full fiscal year. See "Risk Factors -- Seasonality and Quarterly Fluctuations."
- (2) A three-for-two stock split in the form of a 50% stock dividend was effected on September 10, 1993. Weighted average shares outstanding and net income per share for all periods presented reflect the effect of this stock split.
- (3) Average sales per store (including sales from leased shoe and fragrance departments) for each period have been calculated by dividing (a) total sales during such period by (b) the number of stores open at the end of such period, in each case exclusive of stores open for less than 12 months.

- (4) The average sales per store and average sales per square foot of selling area decreased from 1992 through 1995, primarily as a result of the Company's store base including a higher proportion of younger stores as a percentage of total stores. The Company's more mature stores historically have produced higher average sales and average sales per square foot than its younger stores. Accordingly, management believes that as stores mature, their average sales and average sales per square foot should increase.
- (5) Includes sales and selling area of the leased shoe and fragrance departments. Selling area excludes administrative, receiving and storage areas.
- (6) Comparable store information for a period reflects stores open throughout that period and for the full prior year. Stores remodeled or relocated continue to be included if no more than 20% additional square footage is added, the store continues to serve the same market, and a same or similar market strategy continues.

4

6

#### RISK FACTORS

Investors should carefully consider the following matters in connection with an investment in the Common Stock in addition to the other information contained or incorporated by reference in this Prospectus. Information contained or incorporated by reference in this Prospectus may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, which can be identified by the use of forward-looking terminology such as "may," "will," "expect," "anticipate," "estimate" or "continue" or the negative thereof or other variations thereon or comparable terminology. The following matters constitute cautionary statements identifying important factors with respect to any such forward-looking statements, including certain risks and uncertainties, that could cause actual results to differ materially from those reflected in any such forward-looking statements.

#### COMPETITIVE NATURE OF THE RETAIL INDUSTRY

The Company faces intense competition for customers, access to quality merchandise and suitable store locations from traditional department stores, specialty retailers and regional and national off-price retail chains. Many of these competitors are larger and have significantly greater financial and marketing resources than the Company. In addition, many department stores have become more promotional and have reduced their price points, and certain finer department stores and certain of the Company's vendors have opened outlet stores which offer off-price merchandise in competition with the Company. Accordingly, the Company may face periods of intense competition in the future which could have a material adverse effect on its results of operations. See "Business -- Competition."

#### EXPANSION STRATEGY

The Company expects to open a total of 24 new stores in 1996 (of which 11 were open as of August 26, 1996), 25 to 28 in 1997, and approximately 25 to 30 in each of the next several years thereafter. The Company's future operating results will depend to a substantial extent upon its ability to open and operate new stores successfully. Expanding into new markets may present competitive challenges that are different than those currently encountered by the Company in its existing markets. In addition, the Company's ability to open new stores on a timely basis will depend upon a number of factors, including the ability to properly identify and enter new markets, locate suitable store sites, negotiate acceptable lease terms, construct or refurbish sites, hire, train and retain skilled managers and personnel, and other factors, some of which may be beyond the Company's control. There can be no assurance that the Company's new stores will be profitable or achieve sales and profitability levels comparable to the Company's existing stores. Assuming the Company's planned expansion occurs as anticipated, the Company's store base will include an increased proportion of younger stores, which historically have produced lower average sales per store than more mature stores. Expansion within existing markets could adversely affect the financial performance of the Company's existing stores within those markets, negatively affecting comparable store net sales. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- General" and "Business -- Expansion Strategy."

To manage its expansion, the Company will need to evaluate continually the adequacy of its existing systems and procedures, including financial controls,

information systems and store management. There can be no assurance that the Company will anticipate all of the changing demands that its expanding operations will impose on its existing infrastructure. The failure of the Company's infrastructure to support its expansion program could adversely affect its future operating results. In addition, the Company currently intends to finance its store expansion program primarily through its operating cash flow. If the Company does not generate sufficient operating cash flow to support its store expansion program or cannot obtain financing on acceptable terms, the Company may not achieve its targets for opening new stores. See "Business -- Expansion Strategy."

5

7

#### SENSITIVITY TO ECONOMIC CONDITIONS; CHANGING CONSUMER PREFERENCES

The retail apparel business is dependent upon the level of consumer spending, which may be adversely affected by an economic downturn or a decline in consumer confidence. An economic downturn, particularly in the Southeast and other regions in which the Company derives a significant portion of its net sales, could have a material adverse effect on the Company's results of operations. In addition, the Company's success depends in part upon its ability to anticipate and respond to changing consumer preferences and fashion trends in a timely manner. Although the Company attempts to stay abreast of the fashion tastes of its customers and provide merchandise that satisfies customer demand, poor merchandise selection or changes in fashion trends could result in overstocked inventory and/or higher markdowns which could have a material adverse effect on the Company's results of operations. See "Business -- Merchandising" and "Business -- Competition."

#### ADEQUATE SOURCES OF MERCHANDISE SUPPLY; VENDOR RELATIONSHIPS

The Company's business is dependent to a significant degree upon its ability to purchase designer and other brand-name merchandise at prices substantially below normal wholesale. The Company does not have any long-term supply contracts with its vendors. The loss of certain key vendors or the failure to establish and maintain relationships with popular vendors could have an adverse effect on the Company's results of operations. The Company believes it currently has adequate sources of designer and brand-name merchandise; however, there can be no assurance, especially given the Company's expansion plans, that the Company will be able to acquire sufficient quantities and an appropriate mix of such merchandise at acceptable prices.

#### SEASONALITY AND QUARTERLY FLUCTUATIONS

The Company's business is affected by the seasonal pattern common to most retailers. Historically, its highest net sales and profit levels occur during the fourth quarter, which includes the holiday selling season. During the past three years, approximately 37% of the Company's annual net sales and approximately 64% of its income from operations were generated during the fourth quarter. The Company's operating results depend significantly upon net sales generated during the fourth quarter, and any factor that negatively impacts this selling season could adversely affect the Company's results of operations for the entire year. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- General."

The Company's quarterly results of operations also may fluctuate materially depending on, among other things, the timing of new store openings, net sales contributed by new stores, adverse weather conditions, shifts in timing of certain holidays and changes in the Company's merchandise mix. For instance, Thanksgiving Day in 1996 is one week later than in 1995 and 1994 which shortens the 1996 holiday shopping season. Because of these types of factors, the results of operations for any quarter are not necessarily indicative of the results that may be achieved for a full fiscal year or any future quarter.

#### RELIANCE ON KEY PERSONNEL

The Company believes that its continued success will depend to a significant extent upon the efforts and abilities of its senior executives, and the loss of the services of any single one of such executives could have a material adverse effect upon the Company. These executives are Jay Stein, Chairman of the Board and Chief Executive Officer, John H. Williams, Jr., President and Chief Operating Officer, Mason Allen, Senior Executive Vice President and Chief Merchandising Officer, Michael D. Fisher, Executive Vice

President, Stores, James G. Delfs, Senior Vice President, Finance and Chief Financial Officer, and D. Hunt Hawkins, Senior Vice President, Human Resources. The Company's continued success is also dependent upon its ability to attract and retain qualified employees to meet the Company's needs, especially given the Company's expansion plan.

#### CONTROLLING STOCKHOLDER

Following the completion of the Offering, Jay Stein will beneficially own 44.0% of the outstanding Common Stock (41.7% if the Underwriters exercise their over-allotment option). While not holding a majority of the Common Stock, Mr. Stein will retain sufficient voting power to have working control with

6

8

respect to the election of the Board of Directors of the Company or the outcome of corporate transactions or other matters submitted to the stockholders for approval. See "Principal and Selling Stockholders and Stock Ownership of Management."

#### SHARES ELIGIBLE FOR FUTURE SALE

The market price of the Common Stock could be adversely affected by the availability for sale of additional Common Stock beneficially owned by the Company's principal stockholder, Jay Stein. The Selling Stockholders (consisting of the Stein Ventures Limited Partnership and John H. Williams, Jr.), Jay Stein, individually, and the Company have agreed not to sell shares of Common Stock for a period of 180 days following the effective date of the Registration Statement of which this Prospectus is a part without the prior written consent of the representatives of the Underwriters. In addition, a charitable foundation (which owns 314,100 shares of Common Stock) over which Mr. Stein has sole voting and investment power as trustee has agreed not to sell shares of Common Stock for a period of 90 days following the effective date of the Registration Statement without the prior written consent of the representatives of the Underwriters. After expiration of such 180 and 90-day periods, respectively, such shares may be sold in accordance with the volume and other limitations of Rule 144 promulgated under the Securities Act of 1933, as amended (the "Securities Act"), or sold upon registration under the Securities Act without regard to the volume limitations of Rule 144. The sale of a substantial number of such shares could adversely affect the market price of the Common Stock. See "Principal and Selling Stockholders and Stock Ownership of Management" and "Underwriting."

#### VOLATILITY OF MARKET PRICE

From time to time after the Offering, there may be significant volatility in the market price for the Common Stock. In addition to quarterly operating results of the Company, changes in earnings estimates by analysts, general conditions in the economy, the financial markets or the retail industry, or other developments affecting the Company could cause the market price of the Common Stock to fluctuate substantially. In addition, the stock market recently has experienced extreme price and volume fluctuations. This volatility has had a significant effect on the market prices of securities issued by many companies for reasons unrelated to their operating performance.

7

9

#### USE OF PROCEEDS

The Company will not receive any of the proceeds from the sale of the shares of Common Stock offered hereby.

#### PRICE RANGE OF COMMON STOCK AND DIVIDEND POLICY

The Company's Common Stock is listed on the Nasdaq National Market under the symbol "SMRT." The following table sets forth, for the periods indicated, the high and low sale prices for the Common Stock as reported by the Nasdaq National Market:

HIGH      LOW



	-----	-----
1994:		
First Quarter.....	\$20.25	\$15.25
Second Quarter.....	21.50	16.50
Third Quarter.....	18.00	13.25
Fourth Quarter.....	18.25	12.25
1995:		
First Quarter.....	\$15.00	\$ 9.25
Second Quarter.....	13.88	9.88
Third Quarter.....	14.75	10.50
Fourth Quarter.....	13.13	10.50
1996:		
First Quarter.....	\$15.25	\$ 8.50
Second Quarter.....	20.75	14.38
Third Quarter (through August 26, 1996).....	24.75	15.63

On August 26, 1996, the last reported sale price for the Common Stock on the Nasdaq National Market was \$23.50 per share. On August 23, 1996, there were approximately 1,050 stockholders of record of the Common Stock.

The Company anticipates that all future earnings will be retained for the development of its business. The Company does not anticipate paying dividends on its Common Stock in the foreseeable future. The payment of future dividends will be at the sole discretion of the Company's Board of Directors and will depend on, among other things, future earnings, capital requirements, the general financial condition of the Company and general business conditions.

8

10

#### CAPITALIZATION

The following table sets forth the total capitalization of the Company at June 29, 1996. No "as adjusted" column is provided as the Offering will have no effect on the Company's capitalization.

	JUNE 29, 1996
	-----
	(DOLLARS IN THOUSANDS)
	(UNAUDITED)
Long-term debt:	
Notes payable to bank.....	\$ 28,527
Stockholders' equity:	
Preferred Stock, \$0.01 par value; 1,000,000 shares authorized, no shares outstanding.....	--
Common Stock, \$0.01 par value; 50,000,000 shares authorized, 22,172,171 shares issued and outstanding(1).....	222
Paid-in capital.....	34,220
Retained earnings.....	72,205
	-----
Total stockholders' equity.....	106,647
	-----
Total capitalization.....	\$135,174
	=====

- - - - -

(1) Excludes 2,933,753 shares of Common Stock reserved for issuance upon the exercise of options outstanding under the Company's stock option plans as of June 29, 1996.

9

11

#### SELECTED FINANCIAL AND OPERATING DATA (IN THOUSANDS, EXCEPT PER SHARE AND SELECTED OPERATING DATA)

The following selected financial data for the five years ended December 30, 1995, are derived from the audited financial statements of the Company, which

have been audited by Price Waterhouse LLP, independent accountants, and which are incorporated herein by reference. The selected financial data as of and for the six months ended July 1, 1995 and June 29, 1996 are derived from unaudited financial statements as of such dates and for such periods, but, in the opinion of management, include all adjustments (consisting of only normal recurring entries) necessary for a fair presentation of the financial position and the results of operations for these periods. Operating results for the six months ended June 29, 1996 are not necessarily indicative of the results that may be expected for the entire year ending December 28, 1996.

	FISCAL YEAR ENDED					SIX MONTHS ENDED(1)	
	DECEMBER 31, 1991	DECEMBER 31, 1992	DECEMBER 31, 1993	DECEMBER 31, 1994	DECEMBER 30, 1995	JULY 1, 1995	JUNE 29, 1996
						(UNAUDITED)	
STATEMENT OF INCOME DATA:							
Net sales.....	\$225,389	\$278,254	\$342,730	\$419,220	\$496,006	\$204,239	\$257,917
Cost of merchandise sold.....	164,879	201,129	247,334	305,672	366,781	152,023	190,234
Gross profit.....	60,510	77,125	95,396	113,548	129,225	52,216	67,683
Selling, general and administrative expenses.....	48,392	58,064	71,468	87,397	105,195	48,038	58,919
Other income, net.....	2,881	3,234	3,992	5,062	6,378	2,747	3,619
Income from operations.....	14,999	22,295	27,920	31,213	30,408	6,925	12,383
Interest expense, net.....	2,238	852	464	744	1,289	420	665
Income before income taxes.....	12,761	21,443	27,456	30,469	29,119	6,505	11,718
Provision for income taxes.....	207	7,522	10,774	12,050	11,361	2,537	4,570
Net income.....	\$ 12,554	\$ 13,921	\$ 16,682	\$ 18,419	\$ 17,758	\$ 3,968	\$ 7,148
Net income per share (2).....	--	--	\$ 0.70	\$ 0.78	\$ 0.76	\$ 0.17	\$ 0.31
Pro forma net income (3).....	\$ 7,942	\$ 13,293	--	--	--	--	--
Pro forma net income per share(2) (3).....	\$ 0.44	\$ 0.61	--	--	--	--	--
Weighted average shares outstanding (2).....	18,242	21,785	23,895	23,721	23,454	23,586	23,430
SELECTED OPERATING DATA:							
Stores open at end of period.....	45	51	66	80	100	89	109
Average sales per store (000's) (4) (5).....	\$ 5,901	\$ 6,452	\$ 6,429	\$ 6,335	\$ 6,129	\$ 2,700	\$ 2,708
Average sales per square foot of selling area(5) (6).....	\$ 186	\$ 206	\$ 205	\$ 196	\$ 189	\$ 83	\$ 84
Comparable store net sales increase (decrease) (7).....	4.7%	10.9%	2.3%	2.4%	(0.7)%	(2.6)%	6.8%
BALANCE SHEET DATA (AT PERIOD END):							
Working capital.....	\$ 27,269	\$ 35,751	\$ 42,489	\$ 53,668	\$ 63,685	\$ 75,093	\$ 93,933
Total assets.....	69,884	87,198	116,401	154,039	173,517	158,406	196,406
Long-term debt, less current portion.....	11,953	1	1	1	1	21,830	28,527
Total stockholders' equity(8).....	31,534	50,176	66,858	85,277	101,436	88,509	106,647

10

12

- (1) The business of the Company is seasonal, and results for any period within a fiscal year are not necessarily indicative of the results that may be achieved for a full fiscal year. See "Risk Factors -- Seasonality and Quarterly Fluctuations."
- (2) A three-for-two stock split in the form of a 50% stock dividend was effected on September 10, 1993. Weighted average shares outstanding and net income per share for all periods presented reflect the effect of this stock split.
- (3) From February 1, 1987 until its initial public offering in April 1992, the Company was treated for federal income tax purposes as an S Corporation and elected S Corporation status in all but three states in which it operated during the period. The pro forma information has been computed as if the Company were subject to corporate federal and state income taxes for all periods presented, based on the tax laws in effect during the respective periods.

- (4) Average sales per store (including sales from leased shoe and fragrance departments) for each period have been calculated by dividing (a) total sales during such period by (b) the number of stores open at the end of such period, in each case exclusive of stores open for less than 12 months.
- (5) The average sales per store and average sales per square foot of selling area decreased from 1992 through 1995, primarily as a result of the Company's store base including a higher proportion of younger stores as a percentage of total stores. The Company's more mature stores historically have produced higher average sales and average sales per square foot than its younger stores. Accordingly, management believes that as stores mature, their average sales and average sales per square foot should increase.
- (6) Includes sales and selling area of the leased shoe and fragrance departments. Selling area excludes administrative, receiving and storage areas.
- (7) Comparable store information for a period reflects stores open throughout that period and for the full prior year. Stores remodeled or relocated continue to be included if no more than 20% additional square footage is added, the store continues to serve the same market, and a same or similar market strategy continues.
- (8) Net of historical stockholder distributions during periods the Company was an S Corporation.

11

13

#### MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion includes certain forward-looking statements. Investors are cautioned that all forward-looking statements involve risks and uncertainties, including without limitation, those discussed in "Risk Factors." Although the Company believes that the assumptions underlying the forward-looking statements contained herein are reasonable, any of the assumptions could be inaccurate, and therefore, there can be no assurance that the forward-looking statements included in this Prospectus will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by the Company or any other person that the objectives and plans of the Company will be achieved.

#### GENERAL

The Company experienced significant growth in number of stores and net sales over the three years ended December 30, 1995. During this period, the number of stores increased from 51 to 100, and annual net sales increased from \$342.7 million to \$496.0 million. However, average sales per square foot of selling area decreased during this period from \$205 in 1993 to \$189 in 1995 because of the increasing proportion of younger stores as a percentage of total stores. The Company's more mature stores historically have produced higher average sales and average sales per square foot than its younger stores. Accordingly, management believes that as stores mature, their average sales and average sales per square foot should increase. As the Company expands its store base pursuant to its current expansion plan, average sales per store and per square foot may continue to decrease as the proportion of younger stores continues to increase.

The Company's business is seasonal in nature with the fourth quarter, which includes the holiday selling season, historically accounting for the largest percentage of the Company's net sales and operating income in any given year. During the past three years, the fourth quarter accounted for an average of approximately 37% of the Company's annual net sales and approximately 64% of the Company's income from operations. Accordingly, selling, general and administrative expenses are typically higher as a percent of net sales during the first three quarters of each year.

In 1995, the Company changed its fiscal year from a calendar year to a 52-53 week fiscal year ending on the Saturday closest to December 31. The change did not have a material effect on the Company's 1995 operating results. The Company's 1996 fiscal year will end on December 28.

#### RESULTS OF OPERATIONS

The following table sets forth, for the periods indicated, the percentage of the Company's net sales represented by each line item presented:

	FISCAL YEAR ENDED			SIX MONTHS ENDED	
	DECEMBER 31,	DECEMBER 31,	DECEMBER 30,	JULY 1,	JUNE 29,
	1993	1994	1995	1995	1996
Net sales.....	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of merchandise sold.....	72.2	72.9	73.9	74.4	73.8
Gross profit.....	27.8	27.1	26.1	25.6	26.2
Selling, general and administrative expenses.....	20.9	20.8	21.2	23.5	22.8
Other income, net.....	1.2	1.2	1.2	1.3	1.4
Income from operations.....	8.1	7.5	6.1	3.4	4.8
Interest expense, net.....	0.1	0.2	0.2	0.2	0.3
Income before income taxes.....	8.0	7.3	5.9	3.2	4.5
Net income.....	4.9%	4.4%	3.6%	1.9%	2.8%

12

14

Six Months Ended June 29, 1996 Compared to Six Months Ended July 1, 1995

Ten stores were opened and one store was closed during the first six months of 1996 and nine stores were opened during the first six months of 1995, bringing the total number of stores to 109 at June 29, 1996 and 89 at July 1, 1995.

Net sales for the first six months of 1996 were \$257.9 million, a 26.3% increase over net sales of \$204.2 million for the first six months of 1995. The 10 stores opened during the first six months of 1996 contributed \$13.1 million to net sales, as compared to the \$10.1 million contributed to net sales by the nine stores opened during the first six months of 1995. Comparable store net sales for the first six months of 1996 increased by 6.8% compared to the first six months of 1995.

Gross profit for the first six months of 1996 was \$67.7 million, or 26.2% of net sales, compared to \$52.2 million, or 25.6% of net sales, for the first six months of 1995. The increase in gross profit as a percentage of net sales resulted primarily from a slight improvement in markup and leveraging of occupancy costs.

Selling, general and administrative expenses were \$58.9 million, or 22.8% of net sales, for the first six months of 1996, and \$48.0 million, or 23.5% of net sales, for the first six months of 1995. The \$10.9 million increase in selling, general and administrative expenses was primarily due to the additional stores in operation during the first six months of 1996 as compared to the number of stores in operation during the first six months of 1995. The decrease in selling, general and administrative expenses as a percentage of net sales resulted from leveraging of selling, general and administrative expenses. Management does not anticipate the recent legislation increasing the minimum wage will materially affect the Company's payroll expense during the balance of 1996 or in 1997.

Other income, primarily from in-store leased shoe and fragrance departments, increased to \$3.6 million for the first six months of 1996 compared to \$2.7 million for the first six months of 1995. The increase resulted from the additional stores in operation during the first six months of 1996 and from the fragrance department, which became a leased operation at the beginning of the second quarter of 1995.

Interest expense was \$665,000 for the first six months of 1996 and \$420,000 for the first six months of 1995. The increase in interest expense resulted from increased borrowings for working capital for the additional stores, partially offset by lower interest rates.

The effective tax rate of 39.0% remained constant for the first six months of both years.

Net income for the first six months of 1996 was \$7.1 million, or \$0.31 per share, compared to net income of \$4.0 million, or \$0.17 per share, for the first six months of 1995.

#### Fiscal Year 1995 Compared to Fiscal Year 1994

Net sales of \$496.0 million were achieved in 1995, an increase of \$76.8 million, or 18.3%, compared to net sales of \$419.2 in 1994. The 20 new stores opened in 1995 contributed \$50.4 million to net sales. Comparable store net sales in 1995 decreased by 0.7% from 1994.

Gross profit for 1995 was \$129.2 million, an increase of \$15.7 million over the gross profit of \$113.5 million for 1994. Gross profit as a percentage of net sales decreased 1.0% to 26.1% from 27.1% in the prior fiscal year. This decrease was primarily the result of increased markdowns reflecting a higher level of promotional activity, notably in the fourth quarter, and a slight increase in occupancy costs as a percentage of net sales due to lower than expected sales.

Selling, general and administrative expenses were \$105.2 million, or 21.2% of net sales, for 1995, as compared to \$87.4 million, or 20.8% of net sales, for 1994. The increase in such expenses was primarily due to the additional stores in operation during 1995 as compared to the number of stores in operation in 1994. The increase in selling, general and administrative expenses as a percentage of net sales was due to lower sales productivity. Included in selling, general and administrative expenses were pre-opening expenses (primarily advertising, stocking and training) for the 20 stores opened in 1995 in the amount of \$2.3 million and for the 14 stores opened in 1994 in the amount of \$1.7 million.

13

15

Other income, primarily from in-store leased shoe and fragrance departments, amounted to \$6.4 million in 1995, an increase of \$1.3 million over the \$5.1 million for 1994. The increase was due to the addition of 20 stores in 1995 and the change during 1995 to operating the fragrance department as a leased department instead of an owned department.

Interest expense for 1995 was \$1,289,000, compared to \$744,000 in 1994. This increase was due to a combination of higher interest rates and increased average borrowings.

The effective tax rate for 1995 was 39.0% as compared to 39.5% for 1994. The lower effective tax rate resulted from federal income tax audit adjustments included in 1994.

The factors discussed above resulted in net income for 1995 of \$17.8 million, a decrease of 3.6% from net income of \$18.4 million in 1994.

#### Fiscal Year 1994 Compared to Fiscal Year 1993

Net sales of \$419.2 million in 1994 represented an increase of \$76.5 million, or 22.3%, over net sales of \$342.7 million in 1993. The 14 new stores opened in 1994 contributed \$38.7 million to net sales. Comparable store net sales increased 2.4% in 1994 over the prior year.

Gross profit for 1994 increased to \$113.5 million from \$95.4 million in 1993. Gross profit as a percentage of net sales decreased to 27.1% in 1994 from 27.8% in 1993. This decrease was primarily the result of an increase in occupancy expense as a percentage of net sales caused by lower than expected sales and certain additional expenses related to the renovation, enlargement and/or relocation of six stores.

Selling, general and administrative expenses were \$87.4 million, or 20.8% of net sales, in 1994, as compared to \$71.5 million, or 20.9% of net sales, in 1993. The increase in expense dollars was primarily due to the additional stores in operation during 1994 as compared to the number of stores in operation in 1993. Included in selling, general and administrative expenses were pre-opening expenses for the 14 stores opened in 1994 amounting to \$1.7 million and for the 15 stores opened in 1993 amounting to \$2.0 million.

During 1994, other income, primarily from in-store leased shoe departments, amounted to \$5.1 million, an increase of \$1.1 million over the \$4.0 million in

1993.

As a result of higher interest rates and increased average borrowings, interest expense for 1994 increased to \$744,000, as compared to \$464,000 in 1993.

The effective tax rate for 1994 was 39.5% as compared to 39.2% for 1993. The higher effective tax rate reflects an increase in state income taxes due to higher rates, net of the federal tax benefit.

Net income in 1994 was \$18.4 million, an increase of 10.4% over net income of \$16.7 million in 1993.

#### LIQUIDITY AND CAPITAL RESOURCES

The Company's primary capital requirements are to support capital and inventory investments for the opening of new stores, to meet seasonal working capital needs and to maintain and improve existing stores. The Company's capital requirements and working capital needs are funded through a combination of internally generated funds, a bank line of credit and credit terms from vendors. During the course of the Company's seasonal business cycle, working capital is needed to support inventory for existing stores, especially during peak selling seasons. Historically, the Company's working capital needs are lowest in the first quarter and peak in either the third or fourth quarter in anticipation of the fourth quarter selling season.

Net cash used in operating activities was \$28.7 million and \$31.4 million during the first six months of 1996 and 1995, respectively. During the first six months of both years, cash was used to acquire inventory for the additional stores in operation and to reduce the net amount of current liabilities.

Net cash provided by operating activities for 1995 amounted to \$9.2 million, compared to \$22.9 million for 1994. During both years, cash was used primarily to acquire inventory for new stores.

14

16

During the first six months of 1996 and 1995, cash flow used in investing activities totaled \$6.7 million and \$6.1 million, respectively, reflecting the acquisition of fixtures, equipment, and leasehold improvements for new stores, information system enhancements and improvements to existing stores. For 1995 and 1994, cash flow used in investing activities amounted to \$13.8 million and \$11.5 million, respectively, primarily for the acquisition of fixtures, equipment and leasehold improvements for the opening of new stores and for information system enhancements.

Cash flow provided by financing activities was \$26.6 million for the first six months of 1996 and \$21.1 million for the first six months of 1995, reflecting net borrowings under the Company's revolving credit agreement to meet seasonal working capital requirements in both periods. Also during the first six months of 1996, cash was used to repurchase 270,000 shares of Common Stock for \$2.6 million. Cash flow used in financing activities in 1995 was for the repurchase of 166,500 shares of Common Stock partially offset by proceeds received from the exercise of stock options. There was no effect on cash flow from the line of credit during 1995 or 1994 as the balance due under the credit agreement, pursuant to its terms, remained unchanged at \$1,000 at year-end 1995, 1994 and 1993.

The cost of opening a prototypical new store generally ranges from \$450,000 to \$650,000 for fixtures, equipment, leasehold improvements and pre-opening expenses (primarily advertising, stocking and training). Pre-opening expenses are expensed in the year of opening. Initial inventory investment for a new store is approximately \$1 million (a portion of which is normally financed through vendor credit). New stores typically generate operating profit in the first year of operation. The Company's total capital expenditures for 1996 (including amounts budgeted for new store expansion, improvements to existing stores and information system enhancements) are anticipated to be approximately \$15.0 million. Through the six months ended June 29, 1996, capital expenditures were \$6.7 million.

The Company may borrow up to \$40 million under its current revolving credit agreement, and an additional \$10 million seasonal line of credit is available each year from March 15 through June 30 and from September 15 through December

31. Due to the seasonal nature of the Company's business, bank borrowings fluctuate during the year, typically reaching their highest levels during the third or fourth quarters as the Company builds its inventory for the holiday selling season. The outstanding loan balance at June 29, 1996 was \$28.5 million. At December 30, 1995, the loan balance was reduced to \$1,000, the minimum balance required to avoid termination of the loan agreement. The Company had cash and cash equivalents of \$15.1 million at December 30, 1995 and \$6.3 million at June 29, 1996.

The Company believes that expected net cash provided by operating activities, bank borrowings and vendor credit will be sufficient to fund current and long-term anticipated capital expenditures and working capital requirements.

#### INFLATION

Inflation affects the costs incurred by the Company in the purchase of merchandise, the leasing of its stores, and in certain components of its selling, general and administrative expenses. The Company has offset the effects of inflation through the control of expenses during the past three years. However, there can be no assurance that inflation will not have a material effect on the Company's operations in the future.

15

17

#### BUSINESS

Stein Mart is a 110-store retail chain offering fashionable, current-season, primarily branded merchandise comparable in quality and presentation to that of traditional department and fine specialty stores at prices typically 25% to 60% below those regularly charged by such stores. The Company's focused assortment of merchandise features moderate to designer brand-name apparel for women, men and children, as well as accessories, gifts, linens, shoes and fragrances. Stein Mart operated a single store in Greenville, Mississippi from the early 1900's until 1977, when it began its expansion program. During the last five years, the Company has more than doubled the number of Stein Mart stores from 45 in 15 states at year-end 1991 to 110 in 20 states at August 26, 1996. The Company's stores, which average approximately 38,000 gross square feet, are located primarily in neighborhood shopping centers in metropolitan areas. The Company's principal executive offices are located at 1200 Riverplace Boulevard, Jacksonville, Florida 32207 and its telephone number is (904) 346-1500.

#### EXPANSION STRATEGY

The Company's expansion strategy is to add stores in new markets, including those markets with the potential for multiple stores, and in existing markets to capture advertising and management efficiencies. The Company has opened 11 stores in 1996 and expects to open 13 new stores during the remainder of 1996, 25 to 28 in 1997 and approximately 25 to 30 in each of the next several years thereafter. See "Risk Factors -- Expansion Strategy."

The Company targets metropolitan statistical areas with populations of 125,000 or more for new store expansion. In determining where to locate new stores, the Company evaluates detailed demographic information, including, among other factors, data relating to income, education levels, age, occupation, the availability of prime real estate locations, existing and potential competitors, and the number of Stein Mart stores that a market can support. As a result of processing only 10% of its merchandise through its distribution center, the Company is not constrained geographically or by the capacity limits of a central facility. This allows management to concentrate on the best real estate opportunities in targeted markets.

The Company refurbishes existing retail locations or occupies newly constructed stores, which typically are anchor stores in new or existing shopping centers situated near upscale residential areas, ideally with co-tenants that cater to a similar customer base. The Company's ability to negotiate favorable leases and to construct attractive stores with a relatively low investment provides a significant cost advantage over traditional department and fine specialty stores.

#### BUSINESS STRATEGY

The Company's business strategy is to (i) maintain the quality of

merchandise, store appearance, merchandise presentation and customer service levels typical of traditional department and fine specialty stores and (ii) offer value pricing to its customers through its vendor relationships, tight control over corporate and store expenses and efficient management of inventory. The principal elements of the Company's business strategy are as follows:

**Timely, Consistent, Upscale Merchandise.** The Company purchases upscale, branded merchandise primarily through preplanned buying programs similar to those used by traditional department and fine specialty stores. These preplanned buying programs enable the Company to offer fashionable, current-season assortments on a consistent basis.

**Appealing Store Appearance and Merchandise Presentation.** The Company creates an ambiance in its stores similar to that of upscale retailers through attractive in-store layout and signage. Merchandise is displayed in lifestyle groupings to encourage multiple purchases.

**Emphasis on Customer Service.** Customer service is fundamental to Stein Mart's objective of building customer loyalty. Management believes that the Company offers customer service superior to off-price retailers and more comparable to traditional department and fine specialty stores.

16

18

**Value Pricing through Vendor Relationships.** In negotiating with Stein Mart, vendors do not build into their pricing structure anticipated returns or markdown and advertising allowances which are typical in the department store industry. Stein Mart passes these savings on to its customers through prices which are typically 25% to 60% below those regularly charged by traditional department and fine specialty stores.

**Efficient Inventory Handling.** Stein Mart does not rely on a large distribution center or warehousing facility. Rather, it primarily utilizes drop shipments by common carriers from its vendors directly to its stores. This system enables the Company to receive merchandise at each store on a more timely basis and to save the time and expense of handling merchandise twice, which is typical of a traditional distribution center structure.

**Operating Efficiencies.** Management believes that there will be opportunities to create additional operating efficiencies as the Company continues to add stores in new and existing markets.

#### MERCHANDISING

Stein Mart's focused assortment of merchandise features moderate to designer brand-name apparel for women, men and children, as well as accessories, gifts, linens, shoes and fragrances. Branded merchandise is complemented by a limited private label program that enhances the Company's presentation of current fashion trends and provides key items in complete size ranges and assortments.

Management believes that Stein Mart differentiates itself from typical off-price retailers by offering (i) a higher percentage of current-season merchandise carried by traditional department and fine specialty stores at moderate to better price levels, (ii) a stronger merchandising "statement," consistently offering more depth of color and size in individual stockkeeping units, and (iii) a merchandise presentation more comparable to traditional department and fine specialty stores.

The Company identifies and responds to the latest fashion trends. Within each major merchandise category, the Company offers a focused assortment of the best-selling department and fine specialty store items. Stein Mart's merchandise selection is driven primarily by its own merchandising plans which are based on management's assessment of fashion trends and market conditions. This strategy distinguishes Stein Mart from traditional off-price retailers who achieve cost savings by responding to unplanned buying opportunities. The Company's merchandise is typically priced at levels 25% to 60% below regular prices at these stores, therefore offering distinct value to the Stein Mart customer.

17

19



The following reflects the percentage of the Company's revenues by major merchandise category for the periods indicated:

	FISCAL YEAR ENDED			SIX MONTHS ENDED	
	DECEMBER 31, 1993	DECEMBER 31, 1994	DECEMBER 30, 1995	JULY 1, 1995	JUNE 29, 1996
Ladies' and Boutique apparel.....	33%	33%	35%	37%	38%
Ladies' accessories.....	11	10	11	10	11
Men's and young men's.....	22	21	20	19	19
Gifts and linens.....	18	19	18	17	16
Shoes (leased department).....	9	9	8	10	9
Children's.....	6	6	6	5	5
Other.....	1	2	2	2	2
	---	---	---	---	---
	100%	100%	100%	100%	100%
	===	===	===	===	===

Ladies' apparel, the Company's largest contributor of revenues, consists of distinctive presentations of dresses, sportswear and other apparel in ladies', petites, juniors and women's sizes at moderate to upper-moderate prices. Stein Mart's distinctive Boutique is a key element of the Company's merchandising strategy to attract more fashion-conscious customers. The Boutique, a store-within-a-store department, carries better to designer ladies' apparel and offers the presentation and service levels of a fine specialty boutique. Each Stein Mart store has its own Boutique, staffed generally by women employed on a part-time basis who are civically and socially prominent in the community. The Boutique highlights the Company's strategy of offering upscale merchandise, presentation and customer service at value prices.

The Company's typical store layout emphasizes ladies' accessories as the fashion focus at the front of the store. The key merchandise in this department is fashion-oriented, brand-name, designer and private label jewelry, as well as scarves, hosiery, leather goods, bath products and fragrances.

Men's and young men's areas together provide the second largest contribution to revenues. Menswear consists of sportswear, suits, sportcoats, slacks, dress furnishings and a Big and Tall assortment. The Company believes that its merchandise presentation is particularly strong in men's dress furnishings, including branded and private label neckwear and dress shirts.

In 1995, the Company changed the merchandise mix of its traditional junior girls and young men's departments. This department, named "Exterior," presents a more contemporary fashion-forward attitude designed to appeal to all ages.

Stein Mart's gifts and linens departments consist primarily of a broad assortment of fashion-oriented gifts (rather than basic items) for the home and a wide range of table, bath and bed linens and, in some stores, decorative fabrics. The presentation in this distinctive department emphasizes fashion, lifestyle and seasonal themes and includes the full range of merchandise available in a typical department store. The strength of this category has been the consistent presentation with a higher percentage mix of better goods.

Stein Mart's children's department offers a range of apparel for infants and children.

The Company's shoe department is a leased department operated in individual stores by one of two shoe retailers. The merchandise in this department is presented in a manner consistent with the Company's overall presentation in other departments, stressing fashionable, current-season footwear at value prices. This department offers a variety of men's and women's casual and dress shoes, which complement the range of apparel available in other departments. Shoe department leases provide for the Company to be paid the greater of an annual base rent or a percentage of sales. Almost all of the leases currently pay on the percentage of sales basis.

In 1995, the Company began leasing its fragrance department to a third-party operator. The operating agreement requires the third-party operator to pay the Company the greater of an annual base amount or a percentage of sales.

#### STORE APPEARANCE

Stein Mart's stores are designed to reflect the upscale ambiance and appearance of traditional department and fine specialty stores through attractive layout, displays and in-store signage. The prototypical store is approximately 36,000 gross square feet with convenient check-out and customer service areas and attractive, individual dressing rooms. The Company seeks to create excitement in its stores through the continual flow of brand-name merchandise, sales promotions, store layout, merchandise presentation, and the quality, value and depth of its merchandise assortment.

The Company displays merchandise in lifestyle groupings of apparel and accessories. Management believes that the lifestyle grouping concept strengthens the fashion image of its merchandise and enables the customer to locate desired merchandise in a manner that encourages multiple purchases.

#### CUSTOMER SERVICE

Customer service is fundamental to Stein Mart's objective of building customer loyalty. The Company's stores offer most of the same services typically found in traditional department and fine specialty stores such as menswear alterations and a liberal merchandise return policy. Each store is staffed to provide a number of sales associates to properly attend to customer needs. Stein Mart also offers a distinctive customer service through its Agenda program for career women. This program provides the services of an in-store personal shopper who maintains a record of customers' sizes and style preferences so that merchandise can be pre-selected for shopping by appointment.

The Company's training program for sales associates and cashiers emphasizes attentiveness, courtesy and the effective use of selling techniques. The Company reinforces its training program by employing an independent shopping service to monitor the associates' success in implementing the principles taught in sales training. Associates who are highly rated by the shopping service receive both formal recognition and cash awards. Management believes this program emphasizes the importance of customer service necessary to create customer loyalty.

#### VENDOR RELATIONSHIPS AND BUYING

Stein Mart buys from over 3,500 vendors. Many of these are considered key vendors, with whom the Company enjoys longstanding working relationships that create a continuity of preplanned buying opportunities for upscale, current-season merchandise. Most of the Company's vendors are based in the United States, which generally reduces the time necessary to purchase and obtain shipments and allows the Company to react to merchandise trends in a timely fashion. The Company does not have long-term or exclusive contracts with any particular vendor. In 1995, less than 2% of Stein Mart's purchases were from any single vendor.

The Company employs several purchasing strategies to provide its customers with a consistent selection of quality, fashionable merchandise at value prices: (i) Stein Mart commits to its purchases from vendors well in advance of the selling season, in the same manner as department stores, unlike typical off-price retailers who rely heavily on buys of close-out merchandise or overruns; (ii) the Company's information systems enable it to acquire merchandise and track sales information on a store-by-store basis, allowing its buying staff to respond quickly to customer buying trends; and (iii) an in-house merchandise development department works with buyers and brand-name vendors to ensure that the merchandise assortments offered are unique, fashionable, color-forward and of high quality.

Stein Mart negotiates favorable prices from its vendors by not requiring advertising and markdown allowances or return privileges that are typical in the department store industry, resulting in savings that the Company passes along to its customers in the form of prices that are typically 25% to 60% below those regularly charged by traditional department and fine specialty stores.

The Company's buying staff is headed by the Chief Merchandising Officer, who is supported by four Vice Presidents -- General Merchandise Managers, seven Divisional Merchandising Managers and 29 buyers. In addition to base salary, the buying staff receives incentive compensation for achieving certain sales goals

within their areas of responsibility. Historically, the Company has had very low turnover within its buying

staff, enabling it to capitalize on an experienced, respected group of buyers capable of maintaining and enhancing the Company's vendor relationships.

#### INFORMATION SYSTEMS

The Company's information systems provide daily financial and merchandising information that is used by management to make timely and effective purchasing and pricing decisions and for inventory control.

The Company's inventory control system enables it to achieve economies of scale from bulk purchases while at the same time ordering and tracking separate drop shipments by store. Store inventory levels are regularly monitored and adjusted as sales trends dictate. The inventory control system provides information that enhances management's ability to make informed buying decisions and accommodate unexpected increases or decreases in demand for a particular item. The Company uses bar codes and bar code scanners as part of an integrated inventory management and check-out system in its stores.

The Company is in the process of phasing in an upgraded merchandise planning and allocation system, which will enable the Company to better utilize individual store data. The Company expects the system to be operational by the end of fiscal 1996. When fully operational, merchandise buyers will use the system to customize their merchandise assortments at the individual store and department level, based on selected criteria, such as a store's selling patterns, geography and merchandise color preferences. The ability to customize individual store assortments presents the Company with new opportunities to effectively manage inventory, capitalize on sales trends and reduce markdowns.

The Company is also implementing a computerized time management system in 1996 which will assist management in scheduling store associates' hours based on an individual store's own customer traffic patterns and necessary tasks. This improvement should maximize customer service levels and enhance efficiency.

#### STORE OPERATIONS

The Company has six Vice Presidents -- Regional Directors of Stores, each overseeing between 6 and 14 stores, who report to the Executive Vice President, Stores. Two of the Vice Presidents have District Directors of Stores reporting to them, who are each responsible for overseeing 9 to 12 stores. Each Vice President's and District Director's compensation includes an incentive component based on overall performance. Each Stein Mart store is managed by a general manager who reports directly to a Vice President or a District Director. Store general managers are responsible for individual store operations, including hiring, motivating and supervising sales associates; receiving and effectively presenting merchandise; and implementing price change determinations made by the Company's buying staff. Store general managers receive incentive compensation based upon operating results in several key areas, including increases in store sales. In addition to the store general manager and two assistant store managers, each Stein Mart store employs an average of 60 persons as department managers, sales associates, cashiers and in other positions.

Stein Mart stores typically are open 11 hours per day, six days a week, and on Sunday afternoons. The store hours are extended during the holiday selling season.

#### ADVERTISING AND SALES PROMOTION

The Company's advertising strategy stresses the offering of upscale, branded merchandise at significant savings. The Company generally allocates the majority of its advertising budget to newspaper advertising, employing a combination of image, price-and-item and sales event approaches. Stein Mart's per-store advertising expense is reduced by spreading its advertising over multiple stores in a single market. Management believes the Company also enjoys substantial word-of-mouth advertising benefits from its customer base.

During 1995, the Company tested a new image campaign in national print media. The results from a subsequent market survey indicated an increased recognition of the Stein Mart name. As a result, although newspaper will

continue to be the dominant advertising media, some emphasis will shift to national and regional magazines and local radio.

STORE AND CORPORATE FACILITIES

The Company leases all of its store locations and therefore has been able to grow without incurring indebtedness to acquire real estate. Management believes that the Company has earned a reputation as an "anchor tenant," which, along with its established operating history, has enabled it to negotiate favorable lease terms. Most of the leases provide for minimum rents, as well as percentage rents that are based on sales in excess of predetermined levels.

The table below reflects (i) the number of the Company's leases (as of December 30, 1995) that will expire each year if the Company does not exercise any of its renewal options, and (ii) the number of the Company's leases that will expire each year if the Company exercises all of its renewal options (assuming the lease is not otherwise terminated by either party pursuant to any other provision).

	NUMBER OF LEASES EXPIRING EACH YEAR IF NO RENEWALS EXERCISED	NUMBER OF LEASES EXPIRING EACH YEAR IF ALL RENEWALS EXERCISED
	-----	-----
1996.....	1	0
1997.....	2	0
1998.....	6	0
1999.....	8	0
2000.....	7	0
2001-2005.....	43	6
2006-2010.....	30	17
2011-2029.....	1	75

The Company has made consistent capital commitments to maintain and improve existing store facilities. During 1995, approximately \$3.2 million was spent to upgrade computer equipment, fixtures, equipment and leasehold improvements in stores opened prior to 1995.

The Company leases approximately 46,600 gross square feet of office space for its corporate headquarters in Jacksonville, Florida. The Company also leases a 56,000 square foot distribution center in Jacksonville for the purpose of processing a limited amount of merchandise (approximately 10%).

The Company continually evaluates underperforming stores and may choose to close selected underperforming stores. In accordance with this policy, the Company closed its Denver, Colorado store in May, 1992, but opened a new store at a different location in Denver in March, 1996, and closed its Plantation, Florida store in February, 1996.

COMPETITION

Management believes that the Company occupies a market niche closer to traditional department stores than typical off-price retail chains. The Company faces competition for customers and for access to quality merchandise from traditional department stores, fine specialty stores and, to a lesser degree, from off-price retail chains. Many of these competitors are units of large national or regional chains that have substantially greater resources than the Company. The retail apparel industry is highly fragmented and competitive, and the off-price retail business may become even more competitive in the future.

The principal competitive factors in the retail apparel industry are the assortment, presentation and quality of merchandise, price, customer service, vendor relations and store location. Management believes that the Company is well-positioned to compete on the basis of each of these factors.

EMPLOYEES

At August 17, 1996, the Company's work force consisted of approximately

6,500 employees (4,300 40-hour equivalent employees). The number of employees fluctuates based on the particular selling season, peaking during the holiday selling season.

21

23

#### TRADEMARKS

The Company owns the federally registered trademark Stein Mart(R), together with a number of other marks used in conjunction with its private label merchandise program. Stein Mart primarily sells branded merchandise. However, in certain classifications of merchandise, the Company uses several private label programs to provide additional availability of items. Management believes that its trademarks are important but, with the exception of Stein Mart(R), not critical to the Company's merchandising strategy.

#### LEGAL PROCEEDINGS

The Company is involved in various routine legal proceedings incidental to the conduct of its business. Management does not believe that any of these legal proceedings will have a material adverse effect on the financial condition or results of operations of the Company.

22

24

#### MANAGEMENT

##### EXECUTIVE OFFICERS AND DIRECTORS

The following table sets forth certain information concerning the executive officers and directors of the Company:

NAME	AGE	POSITION
Jay Stein.....	50	Chairman of the Board and Chief Executive Officer
John H. Williams, Jr.....	58	President, Chief Operating Officer and Director
Mason Allen.....	52	Senior Executive Vice President, Chief Merchandising Officer and Director
Michael D. Fisher.....	48	Executive Vice President, Stores
James G. Delfs.....	50	Senior Vice President, Finance and Chief Financial Officer
D. Hunt Hawkins.....	37	Senior Vice President, Human Resources
Robert D. Davis.....	64	Director
Albert Ernest, Jr.....	66	Director
Mitchell W. Legler.....	53	Director
James H. Winston.....	62	Director

MR. STEIN has been with Stein Mart since 1967, serving as a director since 1968 and as President from 1979 until 1990. He assumed the position of Chairman in 1989. Mr. Stein is also a director of American Heritage Life Insurance Co. and Barnett Bank of Jacksonville, N.A., both based in Jacksonville, Florida, and Promus Hotel Corporation based in Memphis, Tennessee.

MR. WILLIAMS joined Stein Mart in 1980 and was appointed President in 1990. Mr. Williams has been a director of the Company since 1984 and is also a director of SunTrust Bank, North Florida, N.A.

MR. ALLEN joined Stein Mart in 1986 as Executive Vice President and General Merchandise Manager and was promoted to Senior Executive Vice President and Chief Merchandising Officer in 1990. Mr. Allen was elected to the Company's Board of Directors in June 1991.

MR. FISHER joined the Company in August 1993 as Executive Vice President, Stores. From 1988 to 1993, Mr. Fisher was Senior Vice President of Stores for Millers Outpost, Inc., a California based chain of apparel stores.

MR. DELFS joined the Company in May 1995 as Senior Vice President, Finance and Chief Financial Officer. From 1993 to 1994 he was Vice President, Chief Financial Officer for Helzberg's Diamond Shops, Inc., a chain of jewelry stores,

and from 1988 to 1992 he was Vice President, Chief Financial Officer for Abercrombie & Fitch, Inc., a division of The Limited, Inc.

MR. HAWKINS joined the Company in February 1994 as Senior Vice President, Human Resources. From 1984 to 1994 he was employed by Genesco, Inc., a publicly-held apparel and footwear manufacturer, in various human resources positions, most recently as Director of Employee Relations.

MR. DAVIS is Chairman of D.D.I., Inc., Jacksonville, Florida, a family-owned investment firm. He is a director of Winn-Dixie Stores, Inc., a publicly-held retail supermarket chain. He served as Chairman of Winn-Dixie Stores, Inc. from 1983 to 1988 and Vice Chairman from 1988 to 1990. Mr. Davis also is a director of American Heritage Life Investment Corporation, Florida Rock Industries, Inc., a publicly-held construction materials company, and First Union Corporation, a bank holding company headquartered in Charlotte, North Carolina. He was elected to the Company's Board of Directors in August 1992.

MR. ERNEST is Managing Partner of Albert Ernest Enterprises, a consulting and investment partnership. He served as President and Chief Operating Officer of Barnett Banks, Inc. from 1988 until 1991, and as Vice

Chairman from 1984 to 1988. Mr. Ernest is also a director of Florida Rock Industries, Inc., Florida Rock Industries' affiliate, FRP Properties, Inc., a transportation and real estate company, The Emerald Fund, a bank directed mutual fund group, Wickes Lumber Company and Regency Realty Corporation. He was elected to the Company's Board of Directors in June 1991.

MR. LEGLER is the sole shareholder of Mitchell W. Legler, P.A., general counsel to the Company. He was a senior partner in the law firm of Commander Legler Werber Dawes Sadler & Howell, from 1976 until its merger with Foley & Lardner in 1991 and a partner in that firm until 1995. Mr. Legler was elected to the Company's Board of Directors in June 1991.

MR. WINSTON has served as Chairman of LMPC, a real estate investment firm based in Jacksonville, Florida, since 1979, and as President of Omega Insurance Company, Citadel Life & Health Insurance Company and Wellington Investments since 1983. Mr. Winston is a director of Barnett Bank of Jacksonville, N.A., FRP Properties, Inc. and Winston Hotels. Mr. Winston was elected to the Company's Board of Directors in June 1991.

PRINCIPAL AND SELLING STOCKHOLDERS  
AND STOCK OWNERSHIP OF MANAGEMENT

The shares of Common Stock offered hereby are being sold by (a) the Stein Ventures Limited Partnership (the "Stein Partnership"), a limited partnership 100% controlled by Jay Stein, the Chairman of the Board and Chief Executive Officer of the Company, and the limited partners of which consist of Mr. Stein and his wife, and (b) John H. Williams, Jr., President and Chief Operating Officer (the "Selling Stockholders"). The following table sets forth certain information regarding the beneficial ownership of shares of Common Stock as of the date of this Prospectus by (i) the Selling Stockholders, (ii) each person known by the Company to beneficially own more than 5% thereof, (iii) each director and executive officer, and (iv) all directors and executive officers of the Company as a group.

NAME	SHARES BENEFICIALLY OWNED BEFORE THE OFFERING		SHARES BEING OFFERED	SHARES BENEFICIALLY OWNED AFTER THE OFFERING (1)	
	NUMBER OF SHARES (2)	PERCENT		NUMBER OF SHARES (2)	PERCENT
Jay Stein(3) (4) (5).....	13,270,709 (6)	58.7%	3,200,000	10,070,709 (6)	44.0%
John H. Williams, Jr. (4) (5).....	446,500 (7) (8)	1.9	300,000	146,500 (7) (8)	*
Mason Allen(4) (5).....	20,900 (9) (10)	*	--	20,900 (9) (10)	*

Michael D. Fisher(4).....	10,400(11)	*	--	10,400(11)	*
James G. Delfs(4).....	--(12)	--	--	--(12)	--
D. Hunt Hawkins(4).....	--(13)	--	--	--(13)	--
Robert D. Davis(5).....	78,960(14)(15)	*	--	78,960(14)(15)	*
Albert Ernest, Jr.(5).....	12,960(14)	*	--	12,960(14)	*
Mitchell W. Legler(5).....	9,960(14)(16)	*	--	9,960(14)(16)	*
James H. Winston(5).....	12,960(14)(17)	*	--	12,960(14)(17)	*
All directors and executive officers as a group (10 persons).....	13,863,349	60.1%	3,500,000	10,363,349	44.9%

- - - - -

\* Where percentage is not indicated, amount is less than 1.0% of the outstanding Common Stock.

- (1) The Stein Partnership, which is 100% controlled by Mr. Stein and which is one of the Selling Stockholders, has granted the Underwriters an option to purchase up to 525,000 additional shares of Common Stock. If such option is exercised in full, upon consummation of the Offering, Jay Stein would be deemed to beneficially own 9,545,709 shares (41.7%) and all directors and executive officers as a group would be deemed to beneficially own 9,838,349 shares (42.6%).
- (2) Excludes shares subject to options that are not exercisable within 60 days of the date of this Prospectus held by all individuals listed on the table other than Mr. Stein, who holds no options. Shares of Common Stock underlying options that are exercisable within 60 days are deemed to be outstanding for the purpose of computing the outstanding Common Stock owned by the particular person and by all executive officers and directors as a group, but are not deemed outstanding for any other purpose.
- (3) The business address of Jay Stein is 1200 Riverplace Boulevard, Jacksonville, Florida 32207.
- (4) Executive officer.
- (5) Director.
- (6) Consists of 12,956,609 shares held by the Stein Partnership and 314,100 shares held by the Jay and Cynthia Stein Foundation Trust, over which Mr. Stein has sole voting and dispositive power as trustee, of which 3,200,000 shares will be sold in the Offering.
- (7) Includes 443,500 shares subject to presently exercisable options, of which 300,000 will be exercised and sold in the Offering.
- (8) Excludes 331,500 shares subject to options that will become exercisable in 1997.
- (9) Includes 20,000 shares subject to presently exercisable options. Excludes 150 shares held by Mr. Allen's wife in an Individual Retirement Account
- (10) Excludes 102,000 shares subject to options that will become exercisable in 1997.
- (11) Includes 9,900 shares subject to presently exercisable options. Excludes 50,100 shares subject to options which will become exercisable between 1997 and 2000.
- (12) Excludes 25,000 shares subject to options which will become exercisable between 1998 and 2000.
- (13) Excludes 30,000 shares subject to options which will become exercisable between 1997 and 2000.

25

27

- (14) Includes 3,960 shares subject to presently exercisable options.
- (15) Mr. Davis has shared voting and investment power over 52,500 shares in his capacity as a member of the investment committee of the corporation that owns the shares. In addition, he holds sole voting and investment power over 22,500 shares held by a revocable trust of which he is the trustee and beneficiary.
- (16) Includes 6,000 shares held by Mr. Legler and his wife as tenants by the entirety.
- (17) Includes 6,450 shares owned through corporations of which Mr. Winston is the sole stockholder.

26

28

UNDERWRITING

Pursuant to the Underwriting Agreement and subject to the terms and

conditions thereof, the Underwriters named below, acting through J.C. Bradford & Co., NatWest Securities Limited ("NatWest") and Wasserstein Perella Securities, Inc., as representatives of the several underwriters (the "Representatives"), have agreed, severally, to purchase from the Selling Stockholders, the number of shares of Common Stock set forth below opposite their respective names.

NAME OF UNDERWRITER	NUMBER OF SHARES
J.C. Bradford & Co. ....	
NatWest Securities Limited.....	
Wasserstein Perella Securities, Inc. ....	
	-----
Total.....	3,500,000
	=====

In the Underwriting Agreement, the Underwriters have agreed, subject to the terms and conditions therein set forth, to purchase all shares of Common Stock offered hereby if any of such shares are purchased.

The Company has been advised that the Underwriters propose initially to offer the shares of Common Stock to the public at the public offering price set forth on the cover page of this Prospectus and to certain dealers at such price less a concession not in excess of \$            per share. The Underwriters may allow and such dealers may reallow a concession not in excess of \$            per share to certain other dealers. After the initial public offering, the public offering price and such concessions may be changed by the Underwriters.

The offering of the shares of Common Stock is made for delivery when, as and if accepted by the Underwriters and subject to prior sale and to withdrawal, cancellation or modification of the offer without notice. The Underwriters reserve the right to reject any order for the purchase of the shares.

The Stein Partnership has granted to the Underwriters an option, exercisable no later than 30 days from the date of this Prospectus, to purchase up to an aggregate of 525,000 additional shares of Common Stock to cover over-allotments. To the extent the Underwriters exercise this option, each of the Underwriters will have a firm commitment to purchase approximately the same percentage thereof which the number of shares of Common Stock to be purchased by it shown in the table above bears to the total and the Stein Partnership will be obligated, pursuant to the option, to sell such shares to the Underwriters. The Underwriters may exercise such option only to cover over-allotments made in connection with the sale of shares of Common Stock offered hereby. If purchased, the Underwriters will sell such additional shares on the same terms as those on which the shares are being offered.

In connection with the Offering, certain Underwriters may engage in passive market making transactions in the Common Stock on the Nasdaq National Market immediately prior to the commencement of sales in the Offering in accordance with Rule 10b-6A under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Passive market making consists of displaying bids on the Nasdaq National Market limited by the bid prices of independent market makers and purchases limited by such prices and effected in response to order flow. Net purchases by a passive market maker on each day are limited to a specified percentage of the passive market makers' average daily trading volume in the Common Stock during a specified period and

must be discontinued when such limit is reached. Passive market making may stabilize the market price of the Common Stock at a level above that which might otherwise prevail and, if commenced, may be discontinued at any time.

NatWest, a United Kingdom broker-dealer and a member of the Securities and Futures Authority Limited, has agreed that, as part of the distribution of the shares of Common Stock offered hereby and subject to certain exceptions, it will not offer or sell any shares of Common Stock within the United States, its territories or possessions or to persons who are citizens thereof or residents



therein, provided that NatWest Securities Corporation, an affiliate of NatWest and a United States broker-dealer, may be a selling broker with respect to the shares of Common Stock, acting as agent for purchasers within the United States. The Underwriting Agreement does not limit the sale of the shares of Common Stock offered hereby outside of the United States.

NatWest has also represented and agreed that (i) it has not offered or sold and will not offer or sell any Common Stock to persons in the United Kingdom prior to admission of the Common Stock to listing in accordance with Part IV of the Financial Services Act of 1986 (the "1986 Act") except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purpose of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 or the 1986 Act, (ii) it has complied and will comply with all applicable provisions of the 1986 Act with respect to anything done by it in relation to the Common Stock in, from or otherwise involving the United Kingdom and (iii) it has only issued or passed on, and will only issue or pass on, in the United Kingdom any document received by it in connection with the issue of the Common Stock, other than any document which consists of or any part of listing particulars, supplementary listing particulars or any other document required or permitted to be published by listing rules under Part IV of the 1986 Act, to a person who is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1995 or is a person to whom the document may otherwise lawfully be issued or passed on.

The Company, the Selling Stockholders, Jay Stein and the Jay and Cynthia Stein Foundation Trust have agreed that they will not, without the prior written consent of the Representatives, issue, sell, transfer, assign or otherwise dispose of any shares of the Common Stock or options, warrants, or rights to acquire Common Stock owned by them prior to the expiration of 180 days from the date of this Prospectus (90 days in the case of the Jay and Cynthia Stein Foundation Trust).

The Underwriting Agreement provides that the Company and the Selling Stockholders will indemnify the Underwriters and controlling persons, if any, against certain liabilities, including liabilities under the Securities Act, or will contribute to payments which the Underwriters or any such controlling persons may be required to make in respect thereof.

#### LEGAL MATTERS

The validity of the shares of Common Stock offered hereby will be passed upon for the Company and the Selling Stockholders by Foley & Lardner, Jacksonville, Florida. Certain legal matters relating to the sale of the Common Stock will be passed upon for the Underwriters by Bass, Berry & Sims PLC, Nashville, Tennessee.

#### EXPERTS

The financial statements incorporated in this Registration Statement by reference to the Annual Report on Form 10-K for the year ended December 30, 1995, have been so incorporated in reliance on the report of Price Waterhouse LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

#### AVAILABLE INFORMATION

The Company is subject to the information requirements of the Exchange Act and, in accordance therewith, files reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information may be inspected and copied at the office of the Commission at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549 or at its Regional Offices located in the Citicorp Center, Suite 1400, 500 West Madison Street, Chicago, Illinois 60661 and Seven World Trade Center, Suite 1300, New York, New York 10007. Copies of such material also may be obtained from the Public Reference Section of the Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. The Commission maintains a web site that contains reports, proxy statements and other information regarding registrants, including the Company, that file such

information electronically with the Commission. The address of the Commission's web site is <http://www.sec.gov>. The Company's Common Stock is listed on The Nasdaq National Market, and such reports, proxy statements and other information can also be inspected at the offices of Nasdaq Operations, 1735 K Street, N.W., Washington, D.C. 20006.

The Company has filed with the Commission a Registration Statement on Form S-3, including amendments thereto, relating to the Common Stock offered hereby. This Prospectus, which is part of such Registration Statement, does not contain all of the information set forth in the Registration Statement and the exhibits and schedules thereto. For further information with respect to the Company and the Common Stock offered hereby, reference is hereby made to the Registration Statement and such exhibits and schedules, which may be inspected and copied in the manner and at the locations described above. Statements contained in this Prospectus as to the contents of any contract or other document referred to are not necessarily complete and in each instance reference is made to the copy of such contract or other document filed as an exhibit to the Registration Statement or as previously filed with the Commission and incorporated herein by reference.

#### INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents filed by the Company with the Commission pursuant to the Exchange Act are hereby incorporated by reference in this Prospectus except as superseded or modified herein:

1. The Company's Annual Report on Form 10-K for the year ended December 30, 1995, including portions of the Company's 1995 Annual Report to Shareholders and the Company's definitive proxy statement for its 1996 annual meeting of stockholders to the extent specifically incorporated by reference therein.
2. The Company's Quarterly Reports on Form 10-Q for the quarters ended March 30, 1996 and June 29, 1996.
3. The Company's Registration Statement on Form 8-A filed with the Commission on March 13, 1992.

Each document filed by the Company with the Commission subsequent to the date of this Prospectus pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act and prior to the termination of this Offering shall be deemed to be incorporated by reference in this Prospectus and to be a part hereof from the date of the filing of such document. Any statement contained in a document incorporated by reference shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein, or in any subsequently filed incorporated document that 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 Prospectus.

The Company will provide without charge to each person, including any beneficial owner, to whom a copy of this Prospectus is delivered, upon written or oral request of any such person, a copy of any document described above that has been incorporated by reference in this Prospectus and not delivered with this Prospectus or any preliminary prospectus distributed in connection with the Offering of the Common Stock, other than exhibits to such document referred to above unless such exhibits are specifically incorporated by reference herein. Requests should be directed to Ms. Susan Datz Edelman, the Company's Director of Stockholder Relations, 1200 Riverplace Boulevard, Jacksonville, Florida 32207 (telephone: (904) 346-1506).

29

31

Omitted Graphic and Image Material

Inside back cover:

1. Two separate pictures depicting (i) an external view of one Stein Mart store front, (ii) an interior view of the gifts department.

32

-----  
 -----  
 NO DEALER, SALESPERSON, OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE OFFER CONTAINED HEREIN, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY, THE SELLING STOCKHOLDERS OR ANY OF THE UNDERWRITERS. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE SHARES OF COMMON STOCK OFFERED HEREBY BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED, OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO, OR TO WHOM IT IS UNLAWFUL TO MAKE SUCH SOLICITATION OR OFFER. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF OR THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY DATE SUBSEQUENT TO THE DATE HEREOF.

-----  
 TABLE OF CONTENTS

	PAGE
	----
Prospectus Summary.....	3
Risk Factors.....	5
Use of Proceeds.....	8
Price Range of Common Stock and Dividend Policy.....	8
Capitalization.....	9
Selected Financial and Operating Data.....	10
Management's Discussion and Analysis of Financial Condition and Results of Operations.....	12
Business.....	16
Management.....	23
Principal and Selling Stockholders and Stock Ownership of Management.....	25
Underwriting.....	27
Legal Matters.....	28
Experts.....	28
Available Information.....	29
Incorporation of Certain Documents by Reference.....	29

-----  
 -----  
 -----  
 -----  
 3,500,000 SHARES

(LOGO) STEIN MART

COMMON STOCK

-----  
 PROSPECTUS  
 -----

J.C. BRADFORD&CO.  
 NATWEST SECURITIES LIMITED

WASSERSTEIN PERELLA  
 SECURITIES, INC.

, 1996

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

Set forth below is an estimate of the approximate amount of fees and expenses (other than underwriting discounts and commissions) payable in connection with the issuance and distribution of the securities registered hereby. All of such expenses will be borne by the Selling Stockholders although certain of such expenses may be advanced by the Company, subject to repayment by the Selling Stockholders.

Securities and Exchange Commission registration fee.....	\$ 30,360.99
NASD filing fee.....	9,304.69
Printing and engraving.....	50,000.00
Accountants' fees and expenses.....	40,000.00
Blue sky fees and expenses.....	10,000.00
Counsel fees and expenses.....	50,000.00
Transfer Agent's fees.....	1,000.00
Miscellaneous.....	9,334.32
	-----
Total.....	\$200,000.00

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The Florida Business Corporation Act (the "Florida Act") permits a Florida corporation to indemnify a present or former director or officer of the corporation (and certain other persons serving at the request of the corporation in related capacities) for liabilities, including legal expenses, arising by reason of service in such capacity if such person shall have 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 in any criminal proceeding if such person had no reasonable cause to believe his conduct was unlawful. However, in the case of actions brought by or in the right of the corporation, no indemnification may be made with respect to any matter as to which such director or officer shall have been adjudged liable, except in certain limited circumstances.

Article X of the registrant's Bylaws provides that the registrant shall indemnify directors to the fullest extent now or hereafter permitted by the Florida Act. In addition, the registrant has entered into Indemnification Agreements with its directors in which the registrant has agreed to indemnify such persons to the fullest extent now or hereafter permitted by the Florida Act. Such Indemnification Agreements entitle directors who also serve as officers of the registrant to indemnification for liabilities arising out of their services as officers as well as directors.

The registrant has a standard policy of directors' and officers' liability insurance covering directors and officers of the corporation with respect to liabilities incurred as a result of their service in such capacities.

II-1

ITEM 16. EXHIBITS.

- 1. -- Form of Underwriting Agreement
- \*4A. -- Provisions defining rights of holders of Common Stock of the Registrant are contained in the Articles of Incorporation and Bylaws of the Registrant filed as Exhibits 2, 3A and 3B of Registration Statement No. 33-46322
- \*4B. -- Form of stock certificate for Common Stock

- 5. -- Opinion of Foley & Lardner as to the legality of the securities to be issued
- 23A. -- Consent of Foley & Lardner (included in Opinion filed as Exhibit 5)
- 23B. -- Consent of Price Waterhouse LLP
- 24. -- Power of Attorney (included on the signature page of this Registration Statement)

- -----

\* Filed as exhibit to Registration Statement No. 33-46322 and incorporated herein by reference.

ITEM 17. UNDERTAKINGS.

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) 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.

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of Prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus 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.

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 Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such 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 question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

II-2

35

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-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Jacksonville, State of Florida, on August 27, 1996.

STEIN MART, INC.

By /s/ JAY STEIN

-----  
Jay Stein,  
Chairman of the Board and Chief  
Executive Officer

SPECIAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears on the signature page to this Registration Statement constitutes and appoints Jay Stein, John H. Williams, James G. Delfs and Clayton E. Roberson, Jr., and each or any of them, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement and any and all Registration Statements filed pursuant to Rule 462(b) under the Securities Act of 1933, and to file the same, with all exhibits and other documents in connection therewith, with the Securities and Exchange Commission, and grants unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or his or her substitute or substitutes may lawfully do or cause to be done by virtue hereof.

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.

SIGNATURE	TITLE	DATE
/s/ JAY STEIN Jay Stein	Chairman of the Board and Chief Executive Officer	August 27, 1996
/s/ JOHN H. WILLIAMS JR. John H. Williams, Jr.	President, Chief Operating Officer and Director	August 27, 1996
/s/ MASON ALLEN Mason Allen	Director	August 27, 1996
/s/ JAMES G. DELFS James G. Delfs	Senior Vice President, Finance and Chief Financial Officer	August 27, 1996
/s/ CLAYTON E. ROBERSON, JR. Clayton E. Roberson, Jr.	Vice President, Controller	August 27, 1996
/s/ ROBERT D. DAVIS Robert D. Davis	Director	August 27, 1996

II-3

SIGNATURE	TITLE	DATE
/s/ ALBERT ERNEST, JR. Albert Ernest, Jr.	Director	August 27, 1996
 Mitchell W. Legler	Director	
 James H. Winston	Director	

II-4

EXHIBIT INDEX

SEQUENTIAL  
PAGE NO.  
-----

- 1. -- Form of Underwriting Agreement.....
- \*4A. -- Provisions defining rights of holders of Common Stock of the Registrant are contained in the Articles of Incorporation and Bylaws of the Registrant filed as Exhibits 2, 3A and 3B of Registration Statement No. 33-46322.....
- \*4B. -- Form of stock certificate for Common Stock.....
- 5. -- Opinion of Foley & Lardner as to the legality of the securities to be issued.....
- 23A. -- Consent of Foley & Lardner (included in Opinion filed as Exhibit 5).....
- 23B. -- Consent of Price Waterhouse LLP.....
- 24. -- Power of Attorney (included on the Signature Page of this Registration Statement).....

- -----

\* Filed as exhibit to Registration Statement No. 33-46322 and incorporated herein by reference.

STEIN MART, INC.  
 3,500,000 SHARES  
 OF  
 COMMON STOCK

UNDERWRITING AGREEMENT

\_\_\_\_\_, 1996

J.C. BRADFORD & CO., L.L.C.  
 NATWEST SECURITIES LIMITED  
 WASSERSTEIN PERELLA SECURITIES, INC.

As Representatives of the Several Underwriters  
 c/o J.C. Bradford & Co., L.L.C.  
 J.C. Bradford Financial Center  
 330 Commerce Street  
 Nashville, Tennessee 37201

Ladies and Gentlemen:

Certain stockholders of Stein Mart, Inc., a Florida corporation (the "Company"), set forth on Schedule II hereto propose to sell to the underwriters named in Schedule I hereto (the "Underwriters") for whom you are acting as the representatives (the "Representatives") 3,500,000 shares, (the "Firm Shares"), of common stock, \$.01 par value (the "Common Stock"), of the Company. Such shares of Common Stock are to be sold to the Underwriters, acting severally and not jointly, in such amounts as are set forth in Schedule I hereto opposite the name of such Underwriter. In addition, The Stein Ventures Limited Partnership proposes to grant to the Underwriters an option to purchase up to 525,000 additional shares of Common Stock as provided for in Section 3 of this Agreement for the purpose of covering over-allotments (the "Option Shares"). The Firm Shares and the Option Shares purchased pursuant to this Agreement are herein called the "Shares." For purposes of this Agreement, including the provisions of Sections 2 and 9 hereof, the stockholders of the Company set forth on Schedule II hereto and Jay Stein shall be collectively referred to as the "Selling Stockholders."

2

1. Representations and Warranties of the Company. The Company represents and warrants to, and agrees with, each of the Underwriters that:

(a) The Company meets the requirements for use of, and has filed with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"), a registration statement on Form S-3 (Registration No. 333-\_\_\_\_\_), including the related preliminary prospectus relating to the Shares, and has filed one or more amendments thereto. Copies of such registration statement and any amendments, including any post-effective amendments, and all forms of the related prospectuses contained therein and any supplements thereto, have been delivered to you. Such registration statement, including the prospectus, Part II, the information incorporated by reference, all financial schedules and exhibits thereto, and all information deemed to be a part of such Registration Statement pursuant to Rule 430A under the Securities Act, as amended at the time when it shall become effective, and any related registration statement that is to be effective upon filing filed pursuant to Rule 462(b) under the Securities Act, is herein referred to as the "Registration Statement," and the prospectus included as part of the Registration Statement on file with the Commission that discloses all the information that was omitted from the prospectus on the effective date pursuant to Rule 430A of the Rules and Regulations



(as defined below) and in the form filed pursuant to Rule 424(b) under the Securities Act is herein referred to as the "Final Prospectus." The prospectus included as part of the Registration Statement on the date when the Registration Statement became effective is referred to herein as the "Effective Prospectus." Any prospectus included in the Registration Statement and in any amendment thereto prior to the effective date of the Registration Statement is referred to herein as a "Preliminary Prospectus." For purposes of this Agreement, "Rules and Regulations" mean the rules and regulations promulgated by the Commission under either the Securities Act or the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as applicable.

(b) The Commission has not issued any order preventing or suspending the use of any Preliminary Prospectus, and each Preliminary Prospectus, at the time of filing thereof, complied with the requirements of the Securities Act and the Rules and Regulations, and did not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; except that the foregoing does not apply to statements or omissions made in reliance upon and in conformity with written information furnished to the Company by any Underwriter specifically for use therein (it being understood that the only information so provided is the information included in the last paragraph on the cover page and in the first and third paragraphs under the caption "Underwriting" in the Preliminary, Effective and Final Prospectus). When the Registration Statement becomes effective and at all times subsequent thereto up to and including the First Closing Date (as hereinafter defined), (i) the Registration Statement, the Effective Prospectus and Final Prospectus and any amendments or supplements thereto will contain all statements which are required to be

2

3

stated therein in accordance with the Securities Act and the Rules and Regulations and will comply with the requirements of the Securities Act and the Rules and Regulations, and (ii) neither the Registration Statement, the Effective Prospectus nor the Final Prospectus nor any amendment or supplement thereto will include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they are made, not misleading; except that the foregoing does not apply to statements or omissions made in reliance upon and in conformity with written information furnished to the Company by any Underwriter specifically for use therein (it being understood that the only information so provided is the information included in the last paragraph on the cover page and in the first and third paragraphs under the caption "Underwriting" in the Final Prospectus).

(c) The documents which are incorporated by reference in any Preliminary, Effective and Final Prospectus or from which information is so incorporated by reference, when they become effective or were filed with the Commission, as the case may be, complied in all material respects with the requirements of the Securities Act or the Exchange Act, as applicable, and the Rules and Regulations, and any documents so filed prior to the termination of this offering and incorporated by reference subsequent to the effective date of the Registration Statement shall, when they are filed with the Commission, conform in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and the Rules and Regulations.

(d) Each of the Company and each subsidiary of the Company (as used herein, the term "subsidiary" includes any corporation, joint venture or partnership in which the Company or any subsidiary of the Company has a direct or indirect ownership interest) is duly incorporated and validly existing and in good standing under

the laws of the jurisdiction of its incorporation or organization with full power and authority to own its properties and conduct business as now conducted and is duly qualified or authorized to do business and is in good standing in all jurisdictions wherein the nature of its business or the character of property owned or leased may require it to be qualified or authorized to do business. Each of the Company and its subsidiaries holds all licenses, consents and approvals, and has satisfied all eligibility and other similar requirements imposed by federal and state regulatory bodies, administrative agencies or other governmental bodies, agencies or officials, in each case as required for the conduct of the business in which it is engaged and is contemplated to be engaged in the Effective Prospectus and the Final Prospectus.

(e) The outstanding capital stock of each of the Company's corporate subsidiaries has been duly authorized and validly issued and is fully paid and nonassessable. Except as set forth in the Prospectus, (i) the Company owns all of the outstanding shares of capital stock of the Company's corporate subsidiaries, free and clear of all liens, claims, encumbrances, security interests, restrictions, stockholder agreements, voting trusts or other claims of third parties, (ii) the Company has no other subsidiaries and is not a

3

4

partner or joint venturer in any partnership or joint venture, (iii) the Company's subsidiaries do not have outstanding any option to purchase, or any rights or warrants to subscribe for, or any securities or obligations convertible into, or any contracts or commitments to issue or sell any shares of capital stock or an ownership interest of such subsidiary, and (iv) there are no preemptive rights or other rights to subscribe for or purchase any shares of the capital stock or an ownership interest of the Company's subsidiaries.

(f) The capitalization of the Company as of June 29, 1996 is as set forth under the caption "Capitalization" in the Effective Prospectus and the Final Prospectus, and the Company's capital stock conforms to the description thereof incorporated by reference in the Registration Statement. All the issued shares of capital stock of the Company have been duly authorized and validly issued, are fully paid and nonassessable. None of the issued shares of capital stock of the Company have been issued in violation of any preemptive or similar rights. Except as set forth in the Effective Prospectus and the Final Prospectus, (i) the Company does not have outstanding any options to purchase, or any rights or warrants to subscribe for, or any securities or obligations convertible into, or any contracts or commitments to issue or sell, any shares of Common Stock and (ii) there are no preemptive rights or other rights to subscribe for or to purchase, or any restriction upon the transfer of, any shares of Common Stock pursuant to the Company's articles of incorporation, bylaws or any agreement or other instrument to which the Company is a party or by which it may be bound. Neither the filing of the Registration Statement nor the offer or sale of the Shares as contemplated by this Agreement gives rise to any rights, other than those which have been waived or satisfied, for or relating to the registration of any shares of Common Stock or any other securities of the Company. The Underwriters will receive good and marketable title to the Shares to be issued and delivered hereunder, free and clear of all liens, encumbrances, claims, security interests, restrictions, stockholders' agreements and voting trusts whatsoever.

(g) All offers and sales by the Company of the Company's securities prior to the date hereof were at all relevant times duly registered or the subject of an available exemption from the registration requirements of the Securities Act, and were duly registered or the subject of an available exemption from the registration requirements of the applicable state securities or Blue Sky laws.

(h) The Company has full legal right, power and authority to enter into this Agreement as provided herein, and this Agreement has been duly authorized, executed and delivered by the Company and constitutes a valid and binding agreement of the Company enforceable against the Company in accordance with its terms. No consent, approval, authorization or order of any court or governmental agency or body or third party is required for the performance of this Agreement by the Company or the consummation by the Company of the transactions contemplated hereby, except such as have been obtained and such as may be required by the National Association of Securities Dealers, Inc.

4

5

("NASD") or under the Securities Act or state securities or Blue Sky laws in connection with the purchase and distribution of the Shares by the Underwriters. The Company's performance of this Agreement and the consummation of the transactions contemplated hereby will not result in a breach or violation of, or conflict with, any of the terms and provisions of, or constitute a default by the Company or any of its subsidiaries under, any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which the Company or any of its subsidiaries is a party or to which the Company or any of its subsidiaries or any of their respective properties is subject, the articles of incorporation, bylaws or other governing instruments of the Company or any of its subsidiaries or any statute or any judgment, decree, order, rule or regulation of any court or governmental agency or body applicable to the Company or any of its subsidiaries or any of their respective properties. Neither the Company nor any of its subsidiaries is in violation of its articles of incorporation, bylaws or other governing instruments or any law, administrative rule or regulation or arbitrators' or administrative or court decree, judgment or order or in violation or default (there being no existing state of facts which with notice or lapse of time or both would constitute a default) in the performance or observance of any material obligation, agreement, covenant or condition contained in any contract, indenture, deed of trust, mortgage, loan agreement, note, lease, agreement or other instrument or permit to which it is a party or by which it or any of its properties is or may be bound.

(i) The consolidated financial statements and the related notes of the Company incorporated by reference in the Registration Statement, the Effective Prospectus and the Final Prospectus present fairly the financial position, results of operations and changes in financial position and cash flow of the Company at the dates and for the periods to which they relate and have been prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods indicated, except as otherwise set forth in such financial statements or the related notes. The other financial statements and schedules included or incorporated by reference in the Registration Statement conform to the requirements of the Securities Act and the Rules and Regulations and present fairly the information presented therein for the periods shown. The financial and statistical data set forth in the Effective Prospectus and the Final Prospectus under the captions "Prospectus Summary," "Selected Financial and Operating Data," Management's Discussion and Analysis of Financial Condition and Results of Operations," "Capitalization," "Business" and "Principal and Selling Stockholders and Stock Ownership of Management" fairly presents the information set forth therein on the basis stated in the Effective Prospectus and the Final Prospectus. Price Waterhouse LLP, whose reports are incorporated by reference in the Effective Prospectus and the Final Prospectus, are independent accountants as required by the Securities Act and the Rules and Regulations.

(j) Subsequent to December 30, 1995, neither the Company nor any of its subsidiaries has sustained any material loss or interference with its business or properties from fire, flood,

hurricane, accident or other calamity, whether or not covered by

5

6

insurance, or from any labor dispute or court or governmental action, order or decree, which is not disclosed in the Effective Prospectus and the Final Prospectus; and subsequent to the respective dates as of which information is given in the Registration Statement, the Effective Prospectus and the Final Prospectus, (i) neither the Company nor any of its subsidiaries has incurred any material liabilities or obligations, direct or contingent, or entered into any transactions not in the ordinary course of business, and (ii) there has not been any change in the capital stock, long-term debt, obligations under capital leases or short-term borrowings of the Company and its subsidiaries, or any issuance of options, warrants or rights to purchase interests or the capital stock of the Company or its subsidiaries, or any adverse change, or any development involving a prospective adverse change, in the general affairs, management, business, prospects, financial position, net worth or results of operations of the Company or any of its subsidiaries, except in each case as described in the Effective Prospectus and the Final Prospectus.

(k) Except as described in the Effective Prospectus and the Final Prospectus, there is not pending, or to the knowledge of the Company threatened, any legal or governmental action, suit, proceeding, inquiry or investigation, to which the Company, any of its subsidiaries or any of their officers or directors is a party, or to which the property of the Company or any of its subsidiaries is subject, before or brought by any court or governmental agency or body, wherein an unfavorable decision, ruling or finding could prevent or materially hinder the consummation of this Agreement or result in a material adverse change in the business condition (financial or other), prospects, financial position, net worth or results of operations of the Company or any of its subsidiaries.

(l) There are no contracts or other documents required by the Securities Act or by the Rules and Regulations to be described in the Registration Statement, the Effective Prospectus or the Final Prospectus or to be filed as exhibits to the Registration Statement or required to be filed by the Company under the Exchange Act which have not been described, incorporated by reference or filed as required. All such contracts and all real property leases to which the Company or any of its subsidiaries is a party have been duly authorized, executed and delivered by the Company or such subsidiary, constitute valid and binding agreements of the Company or such subsidiary and are enforceable against the Company or such subsidiary in accordance with the terms thereof. The Company or such subsidiary has performed all its obligations required to be performed by it, and is neither in default nor has it received notice of any default or dispute under (i) any such contract, (ii) any real property lease, or (iii) other material instrument to which it is a party or by which its property is bound or affected. To the best knowledge of the Company, no other party under any such contract or other material instrument to which it is a party is in default thereunder.

(m) Except as described in the Effective Prospectus and the Final Prospectus, the Company and each of its subsidiaries has good and marketable title to all real and material personal property owned by it, free and clear of all liens, charges, encumbrances

6

7

or defects, except those reflected in the financial statements

hereinabove described. The real and personal property and buildings referred to in the Effective Prospectus and the Final Prospectus which are leased from others by the Company or its subsidiaries are held under valid, subsisting and enforceable leases. The Company or its subsidiaries owns or leases all such properties as are necessary to their respective operations as now conducted.

(n) The Company's system of internal accounting controls is sufficient to meet the broad objectives of internal accounting control insofar as those objectives pertain to the prevention or detection of errors or irregularities in amounts that would be material in relation to the Company's financial statements.

(o) The Company and each of its subsidiaries has filed all foreign, federal, state and local income and franchise tax returns required to be filed through the date hereof and has paid all taxes shown as due therefrom to the extent such taxes have become due and are not being contested in good faith; and there is no tax deficiency that has been, nor does the Company have knowledge of any tax deficiency which is likely to be, asserted against the Company or any of its subsidiaries, which if determined adversely could materially and adversely affect the earnings, assets, affairs, business prospects or condition (financial or other) of the Company or any of its subsidiaries.

(p) The Company and each of its subsidiaries operates its business in conformity with all applicable statutes, common laws, ordinances, decrees, orders, rules and regulations of governmental bodies. The Company and each of its subsidiaries has all licenses, approvals or consents to operate its businesses in all locations in which such businesses are currently being operated, and the Company is not aware of any existing or imminent matter which may materially adversely impact its or any of its subsidiaries' earnings, assets, affairs, business prospects or condition (financial or other), other than as specifically disclosed in the Effective Prospectus and the Final Prospectus.

(q) Neither the Company nor any of its subsidiaries has failed to file with the applicable regulatory authorities any statements, reports, information or forms required by all applicable laws, regulations or orders; all such filings or submissions were in compliance with applicable laws when filed, and no deficiencies have been asserted by any regulatory commission, agency or authority with respect to such filings or submissions. Neither the Company nor any of its subsidiaries has failed to maintain in full force and effect any licenses, registrations or permits necessary or proper for the conduct of its respective businesses, or received any notification that any revocation or limitation thereof is threatened or pending, and there is not to the knowledge of the Company pending any change under any law, regulation, license or permit which could materially adversely affect the earnings, assets, affairs, business prospects or condition (financial or other) of the Company or any of its subsidiaries. Neither the Company nor any of its subsidiaries has received any notice of violation of or been threatened with a charge of violating and

is not under investigation with respect to a possible violation of any provision of any law, regulation or order.

(r) No labor dispute exists or is imminent with any of the employees of the Company or any of its subsidiaries or otherwise which could materially adversely affect the Company or any of its subsidiaries. The Company is not aware of any existing or imminent labor disturbance by employees of the Company or any of its subsidiaries which could be expected to materially adversely affect the earnings, assets, affairs, business prospects or condition (financial or otherwise) of the Company or any of its subsidiaries.

(s) The Company and each of its subsidiaries owns the licenses, copyrights, trademarks, service marks and trade names (including the name "Stein Mart") presently employed by it in connection with the businesses now operated or proposed to be operated by it, and neither the Company nor any of its subsidiaries has received any notice of infringement of or conflict with asserted rights of others with respect to any of the foregoing.

(t) The Company and each of its subsidiaries is insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which it is engaged; and neither the Company nor any of its subsidiaries has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a comparable cost.

(u) Neither the Company nor any of its subsidiaries is in violation of any federal, state, local or foreign law or regulation relating to occupational safety and health or to the storage, handling or transportation of hazardous or toxic materials and the Company and each of its subsidiaries has received all permits, licenses or other approvals required of it under applicable federal, state and foreign occupational safety and health and environmental laws and regulations to conduct its respective businesses, and the Company and each of its subsidiaries is in compliance with all terms and conditions of any such permit, license or approval, except any such violation of law or regulation, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals which would not result in a material adverse affect on the earnings, assets, affairs, business prospects or condition (financial or otherwise) of the Company or any of its subsidiaries.

(v) Neither the Company or any of its subsidiaries nor, to the knowledge of the Company, any director, officer, agent, employee or other person acting on behalf of the Company or any of its subsidiaries has (i) used, or authorized the use of, any corporate or other funds for unlawful payments, contributions, gifts or entertainment (ii) made unlawful expenditures relating to political activity to government officials or others, or (iii)

8

9

established or maintained any unlawful or unrecorded funds in violation of any federal, state, local or foreign law or regulation, including Section 30A of the Exchange Act. Neither the Company or any of its subsidiaries nor, to the knowledge of the Company, any director, officer, agent, employee or other person acting on behalf of the Company or any of its subsidiaries has accepted or received any unlawful contributions, payments, gifts or expenditures.

(w) Neither the Company or any of its subsidiaries nor any of the directors, officers, employees or agents of the Company or any of its subsidiaries have taken and will not take, directly or indirectly, any action designed to cause or result in, or which has constituted or which might be expected to constitute, stabilization or manipulation of the price of the Common Stock.

(x) The outstanding shares of Common Stock are traded on the Nasdaq National Market (the "Nasdaq"). The Company has filed with the Commission and the NASD all reports, documents and statements required to be filed pursuant to the Securities Act, the Exchange Act, the Rules and Regulations and all the rules and regulations of the NASD relating to qualification for trading on the Nasdaq, and each of such reports, documents and statements at the time that they were filed complied with the requirements of the Securities Act, the Exchange Act and the Rules and Regulations.

2. Representations and Warranties of the Selling Stockholders. The Selling Stockholders jointly and severally represent and warrant to, and agree with, each of the Underwriters that:

(a) Such Selling Stockholder at the First Closing Date or at the Option Closing Date (as defined herein), as the case may be, will have valid and marketable title to the Shares set forth in Schedule II to be sold by such Selling Stockholder, free and clear of any liens, encumbrances, equities and claims (other than as imposed by the Securities Act or this Agreement), and full right, power and authority to effect the sale and delivery of such Shares; and upon the delivery of and payment for the Shares to be sold by such Selling Stockholder pursuant to this Agreement, valid and marketable title thereto, free and clear of any liens, encumbrances, equities and claims, will be transferred to the Underwriters.

(b) Such Selling Stockholder has duly executed and delivered this Agreement; this Agreement constitutes a legal, valid and binding obligation of such Selling Stockholder, all authorizations and consents necessary for the execution and delivery of this Agreement on behalf of such Selling Stockholder and for the sale and delivery of the Shares to be sold by such Selling Stockholder hereunder has been given, except as may be required by the Securities Act or state securities laws; and such Selling Stockholder has the legal capacity and full right, power and authority to execute this Agreement.

9

10

(c) The performance of this Agreement and the consummation of the transactions contemplated hereby by each of the Selling Stockholders will not result in a breach or violation of, or conflict with, any of the terms or provisions of, or constitute a default by such Selling Stockholder under, any indenture, mortgage, deed of trust, trust (constructive or other), loan agreement, lease, franchise, license or other agreement or instrument to which such Selling Stockholder or any of his or its properties is bound, any statute, or any judgment, decree, order, rule or regulation or any court or governmental agency or body applicable to such Selling Stockholder or any of his or its properties.

(d) Such Selling Stockholder has not distributed nor will distribute any prospectus or other offering material in connection with the offer and sale of the Shares other than any Preliminary Prospectus filed with the Commission or the Final Prospectus or other material permitted by the Securities Act.

(e) The representations and warranties of the Company contained in Section 1 of this Agreement are true and correct; such Selling Stockholder has reviewed and is familiar with the Registration Statement as originally filed with the Commission and the Preliminary Prospectus contained therein. Neither the Preliminary Prospectus, the Effective Prospectus or the Final Prospectus includes an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; such Selling Stockholder is not prompted to sell the Shares to be sold by such Selling Stockholder by any information concerning the Company that is not set forth in the Preliminary Prospectus, the Effective Prospectus or the Final Prospectus.

(f) No approval, consent, order, authorization, designation, declaration or filing by or with any regulatory body, administrative or other governmental body is necessary in connection with the execution and delivery of this Agreement by such Selling Stockholder, and the consummation by him or it of the transactions herein contemplated (other than as required by the Securities Act, state securities laws and the NASD).

(g) Any certificates signed by or on behalf of such Selling Stockholder as such and delivered to the Representatives or to counsel for the Representatives shall be deemed a representation and warranty by such Selling Stockholder to each Underwriter as to the matters covered thereby.

(h) In order to document the Underwriters' compliance with the reporting and withholding provisions of the Tax Equity and Fiscal Responsibility Act of 1982 with respect to the transactions herein contemplated, such Selling Stockholder agrees to deliver to you prior to or at the First Closing Date (as hereinafter defined) a properly completed and executed United States Treasury Department Form W-9 (or other applicable form or statement specified by Treasury Department regulations in lieu thereof).

10

11

(i) Such Selling Stockholder has not taken, and will not take, directly or indirectly, any action designed to cause or result in, or which might constitute or be expected to constitute, stabilization or manipulation of the price of the Common Stock.

### 3. Purchase, Sale and Delivery of the Shares.

(a) On the basis of the representations, warranties, agreements and covenants herein contained and subject to the terms and conditions herein set forth, the Selling Stockholders, as set forth on Schedule II hereto, agree to sell to the several Underwriters, and each of the Underwriters, severally and not jointly, agrees to purchase at a purchase price of \$\_\_\_\_\_ per share, the number of Firm Shares set forth opposite such Underwriter's name in Schedule I hereto.

(b) The Stein Ventures Limited Partnership, one of the Selling Stockholders, hereby grants to the Underwriters an option to purchase 525,000 additional shares of Common Stock, solely for the purpose of covering over-allotments in the sale of Firm Shares, all or any portion of the Option Shares at the purchase price per share set forth above. The option granted hereby may be exercised as to all or any part of the Option Shares at any time within 30 days after the date of the Final Prospectus. The Underwriters shall not be under any obligation to purchase any Option Shares prior to the exercise of such option. The option granted hereby may be exercised by the Underwriters by J.C. Bradford & Co. ("Bradford") giving written notice to the Company and to said Selling Stockholder setting forth the number of Option Shares to be purchased and the date and time for delivery of and payment for such Option Shares and stating that the Option Shares referred to therein are to be used for the purpose of covering over-allotments in connection with the distribution and sale of the Firm Shares. If such notice is given prior to the First Closing Date, the date set forth therein for such delivery and payment shall not be earlier than two full business days thereafter or the First Closing Date, whichever occurs later. If such notice is given on or after the First Closing Date, the date set forth therein for such delivery and payment shall not be earlier than three full business days thereafter. In either event, the date so set forth shall not be more than four full business days after the date of such notice. The date and time set forth in such notice is herein called the "Option Closing Date." Upon exercise of the option, said Selling Stockholder shall become obligated to sell to the Underwriters, and, subject to the terms and conditions herein set forth, the Underwriters shall become obligated to purchase, for the account of each Underwriter, from said Selling Stockholder the number of Option Shares specified in such notice. Option Shares shall be purchased for the accounts of the Underwriters in proportion to the number of Firm Shares set forth opposite such Underwriter's name in Schedule I hereto, except that the respective purchase obligations of each Underwriter shall be adjusted so that no Underwriter shall be obligated to purchase fractional Option Shares.



(c) Certificates in definitive form for the Firm Shares which each Underwriter has agreed to purchase hereunder shall be delivered by or on behalf of the Selling

11

12

Stockholders to the Underwriters for the account of such Underwriter against payment by such Underwriter or on its behalf of the purchase price therefor by certified or official bank check or checks in next day funds to the order of the Selling Stockholders, at the offices of Bradford, 330 Commerce Street, Nashville, Tennessee 37201, or at such other place as may be agreed upon by Bradford and the Company, at 10:00 A.M., Nashville time, on the third full business day after this Agreement becomes effective, or, at the election of the Representatives, on the fourth full business day after this Agreement becomes effective, if it becomes effective after 4:30 P.M. Eastern time, or at such other time not later than the seventh full business day thereafter as the Representatives and the Selling Stockholders may determine, such time of delivery against payment being herein referred to as the "First Closing Date." The First Closing Date and the Option Closing Date are herein individually referred to as the "Closing Date" and collectively referred to as the "Closing Dates." Certificates in definitive form for the Option Shares which each Underwriter shall have agreed to purchase hereunder shall be similarly delivered by or on behalf of the Selling Stockholders to the extent set forth on Schedule II on the Option Closing Date. The certificates in definitive form for the Shares to be delivered will be in good delivery form and in such denominations and registered in such names as Bradford may request not less than 48 hours prior to the First Closing Date or the Option Closing Date, as the case may be. Such certificates will be made available for checking and packaging at a location in New York, New York as may be designated by Bradford, at least 24 hours prior to the First Closing Date or the Option Closing Date, as the case may be. It is understood that Bradford may (but shall not be obligated to) make payment on behalf of any Underwriter or Underwriters for the Shares to be purchased by such Underwriter or Underwriters. No such payment shall relieve such Underwriter or Underwriters from any of its or their obligations hereunder.

4. Offering by the Underwriters. After the Registration Statement becomes effective, the several Underwriters propose to offer for sale to the public the Firm Shares and any Option Shares which may be sold at the price and upon the terms set forth in the Final Prospectus.

5. Covenants of the Company and the Selling Stockholders.

(a) The Company covenants and agrees with each of the Underwriters that:

(i) The Company shall comply with the provisions of and make all requisite filings with the Commission pursuant to Rules 424 and 430A of the Rules and Regulations and shall notify the Representatives promptly (in writing, if requested) of all such filings. The Company shall notify the Representatives promptly of any request by the Commission for any amendment of or supplement to the Registration Statement, the Effective Prospectus or the Final Prospectus or for additional information; the Company shall prepare and file with the Commission, promptly upon the Representatives' request, any amendments of or supplements to the Registration Statement, the Effective Prospectus or the Final Prospectus which, in the Representatives' opinion, may be necessary or

12

advisable in connection with the distribution of the Shares; and the Company shall not file any amendment of or supplement to the Registration Statement, the Effective Prospectus or the Final Prospectus which is not approved by the Representatives after reasonable notice thereof. The Company shall advise the Representatives promptly of the issuance by the Commission or any jurisdiction or other regulatory body of any stop order or other order suspending the effectiveness of the Registration Statement, suspending or preventing the use of any Preliminary Prospectus, the Effective Prospectus or the Final Prospectus or suspending the qualification of the Shares for offering or sale in any jurisdiction, or of the institution of any proceedings for any such purpose; and the Company shall use its best efforts to prevent the issuance of any stop order or other such order and, should a stop order or other such order be issued, to obtain as soon as possible the lifting thereof.

(ii) The Company will take or cause to be taken all necessary action and furnish to whomever the Representatives direct such information as may be reasonably required in qualifying the Shares for offer and sale under the securities or Blue Sky laws of such jurisdictions as the Underwriters may designate and will continue such qualifications in effect for as long as may be reasonably necessary to complete the distribution of the Shares.

(iii) Within the time during which a Final Prospectus relating to the Shares is required to be delivered under the Securities Act, the Company shall comply with all requirements imposed upon it by the Securities Act, as now and hereafter amended, and by the Rules and Regulations, as from time to time in force, so far as is necessary to permit the continuance of sales of or dealings in the Shares as contemplated by the provisions hereof and the Final Prospectus. If during such period any event occurs as a result of which the Final Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances then existing, not misleading, or if during such period it is necessary to amend the Registration Statement or supplement the Final Prospectus to comply with the Securities Act, the Company shall promptly notify the Representatives and shall amend the Registration Statement or supplement the Final Prospectus (at the expense of the Company) so as to correct such statement or omission or effect such compliance.

(iv) The Company will furnish without charge to the Representatives and make available to the Underwriters copies of the Registration Statement (four of which shall be signed and shall be accompanied by all exhibits, including any which are incorporated by reference, which have not previously been furnished), each Preliminary Prospectus, the Effective Prospectus and the Final Prospectus, and all amendments and supplements thereto, including any prospectus or supplement prepared after the effective date of the Registration Statement, in each case as soon as available and in such quantities as the Underwriters may reasonably request.

(v) The Company will (A) deliver to the Representatives at such office or offices as the Representatives may designate as many copies of the Preliminary Prospectus and Final Prospectus as the Representatives may reasonably request, and (B) for a period of not more than nine months after the Registration Statement becomes effective, send to the Underwriters as many additional copies of the Final Prospectus and any supplement thereto as the Representatives may reasonably request.

(vi) The Company shall make generally available to its security holders, in the manner contemplated by Rule 158(b) under

the Securities Act as promptly as practicable and in any event no later than 45 days after the end of its fiscal quarter in which the first anniversary of the effective date of the Registration Statement occurs, an earnings statement satisfying the provisions of Section 11(a) of the Securities Act covering a period of at least 12 consecutive months beginning after the effective date of the Registration Statement.

(vii) During a period of five years from the effective date of the Registration Statement or such longer period as the Representatives may reasonably request, the Company will furnish to the Representatives copies of all reports and other communications (financial or other) furnished by the Company to its stockholders and, as soon as available, copies of any reports or financial statements furnished or filed by the Company to or with the Commission, Nasdaq or any national securities exchange on which any class of securities of the Company may be listed.

(viii) The Company will, from time to time, after the effective date of the Registration Statement file with the Commission such reports as are required by the Securities Act, the Exchange Act and the Rules and Regulations, and shall also file with foreign, state and other governmental securities commissions in jurisdictions where the Shares have been sold by the Underwriters (as the Representatives shall have advised the Company in writing) such reports as are required to be filed by the securities acts and the regulations of those states and jurisdictions.

(ix) Except pursuant to this Agreement or with the Representatives' written consent, for a period of 90 days from the effective date of the Registration Statement, the Company will not, and the Company has provided agreements executed by each of its executive officers, directors and the Selling Stockholders providing that for a period of 90 days from the effective date of the Registration Statement, such person or entity will not, offer for sale, sell (other than the issuance by the Company of Common Stock pursuant to the exercise of options granted pursuant to existing employee benefit plans and agreements, other existing compensation agreements and existing stock options or outstanding warrants or securities convertible into Common Stock), grant any options (other than pursuant to existing employee benefit plans and agreements), rights or warrants with respect to any shares of Common Stock, securities convertible into Common Stock or any other capital stock of the Company beneficially owned by such entity or person, or

14

15

otherwise dispose of, directly or indirectly, any shares of Common Stock or such other securities or capital stock beneficially owned by such entity or person.

(x) Neither the Company or any of its subsidiaries nor any of their officers, directors or affiliates will take, directly or indirectly, any action designed to cause or result in, or which might constitute or be expected to constitute, stabilization or manipulation of the price of the Common Stock.

(xi) The Company and each of its subsidiaries will either conduct its business and operations as described in the Final Prospectus or, if the Company or any of its subsidiaries makes any material change to its business or operations as so conducted, promptly disclose such change generally to the Company's securityholders.

(b) Each of the Selling Stockholders, severally and not jointly, covenants and agrees with the Underwriters that:

(i) Such Selling Stockholder will not take, directly or indirectly, any action designed to cause or result in, or

which might constitute or be expected to constitute, stabilization or manipulation of the price of the Common Stock; and

(ii) Except pursuant to this Agreement or with your prior written consent, for a period of 90 days from the effective date of the Registration Statement the Selling Stockholders will not, directly or indirectly, offer for sale, sell, grant any option for the sale of, or otherwise dispose of any shares of Common Stock.

6. Expenses. The Company and each of the Selling Stockholders agree with the Underwriters that (a) whether or not the transactions contemplated by this Agreement are consummated or this Agreement becomes effective or is terminated, the Company will pay all fees and expenses incident to the performance of the obligations of the Company and the Selling Stockholders hereunder, including, but not limited to, (i) the Commission's registration fee, (ii) the expenses of printing (or reproduction) and distributing the Registration Statement (including the financial statements therein and all amendments and exhibits thereto), each Preliminary Prospectus, the Effective Prospectus, the Final Prospectus, any amendments or supplements thereto, any Marketing Materials (as defined herein) and this Agreement and other underwriting documents, including Underwriter's Questionnaires, Underwriter's Powers of Attorney, Blue Sky Memoranda, Agreements Among Underwriters and Selected Dealer Agreements, (iii) fees and expenses of accountants and counsel for the Company, (iv) expenses of registration or qualification of the Shares under state Blue Sky and securities laws, including the fees and disbursements of counsel to the Underwriters in connection therewith, (v) filing fees paid or incurred by the Underwriters in connection with filings with the NASD, (vi) all travel, lodging and reasonable living expenses incurred by the Company in connection with marketing, dealer and other meetings attended by the Company and the Underwriters in marketing the Shares, (vii) the costs and charges of the Company's transfer agent and registrar and the cost of preparing the

15

16

certificates for the Shares, and (viii) all other costs and expenses incident to the performance of their obligations hereunder not otherwise provided for in this Section; and (b) all out-of-pocket expenses, including counsel fees, disbursements and expenses, incurred by the Underwriters in connection with investigating, preparing to market and marketing the Shares and proposing to purchase and purchasing the Shares under this Agreement, will be borne and paid by the Company if the sale of the Shares provided for herein is not consummated (i) by reason of the termination of this Agreement by the Company pursuant to Section 14(a)(i) or (ii) by reason of the termination of this Agreement by the Representatives pursuant to Section 14(b)(ii), (iii), (iv) or (v) of this Agreement.

The provisions of this section shall not affect any agreement that the Company and the Selling Stockholders may have for the sharing of such costs and expenses; provided, however, the Underwriters may deem the Company to be the primary obligor with respect to all costs, fees, and expenses to be paid by the Company and the Selling Stockholders.

7. Conditions of the Underwriters' Obligations. The respective obligations of the Underwriters to purchase and pay for the Firm Shares shall be subject, in their discretion, to the accuracy of the representations and warranties of the Company and the Selling Stockholders herein as of the date hereof and as of the Closing Date as if made on and as of the Closing Date, to the accuracy of the statements of the Company's officers made pursuant to the provisions hereof, to the performance by the Company and the Selling Stockholders of all of their covenants and agreements hereunder and to the following additional conditions:

(a) The Registration Statement and all post-effective amendments thereto shall have become effective not later than 5:30 P.M., Washington, D.C. time, on the day following the date of this Agreement, or such later time and date as shall have been consented to by the Representatives and all filings required by Rule 424 and Rule 430A of the Rules and Regulations shall have been made; no stop order

suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been instituted or threatened or, to the knowledge of the Company or the Underwriters, shall be contemplated by the Commission; any request of the Commission for additional information (to be included in the Registration Statement or the Final Prospectus or otherwise) shall have been complied with to the Representative's satisfaction; and the NASD, upon review of the terms of the public offering of the Shares, shall not have objected to such offering, such terms or the Underwriters' participation in the same.

(b) No Underwriter shall have advised the Company that the Registration Statement, Preliminary Prospectus, the Effective Prospectus or Final Prospectus, or any amendment or any supplement thereto, contains an untrue statement of fact which, in the Representatives' reasonable judgment, is material, or omits to state a fact which, in the Representatives' reasonable judgment, is material and is required to be stated therein or necessary to make the statements therein not misleading and the Company shall not have

16

17

cured such untrue statement of fact or stated a statement of fact required to be stated therein.

(c) The Representatives shall have received an opinion, dated the Closing Date, from Foley & Lardner, counsel for the Company, to the effect that:

(i) The Company has been duly incorporated and is validly existing as a corporation under the laws of the State of Florida, with corporate power and authority to own its properties and conduct its business as now conducted, and is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions where the failure to so qualify would have a material adverse effect upon the Company and its subsidiaries.

(ii) Each of the Company's subsidiaries is validly existing and in good standing under the laws of the state or jurisdiction of its incorporation or organization, as the case may be, with power and authority to own its properties and conduct its business as now conducted, and is duly qualified or authorized to do business and is in good standing in all other jurisdictions where the failure to so qualify would have a material adverse effect upon the business of the Company and its subsidiaries. The outstanding stock of each of the Company's corporate subsidiaries is duly authorized, validly issued, fully paid and nonassessable. The Company owns all of the outstanding stock of each of the Company's corporate subsidiaries, free and clear of all liens, encumbrances, equities and claims. The partnership and joint venture interests of each of the partnerships and joint ventures in which the Company or any subsidiary is a partner or joint venturer are duly authorized, validly issued, fully paid and nonassessable and the partnership and joint venture interests owned by the Company or a subsidiary thereof are owned clear of any lien, encumbrance, pledge, equity or claim of any kind. The Company's subsidiaries do not have outstanding any options to purchase, or any rights or warrants to subscribe for, or any securities or obligations convertible into, or any contracts or commitments to issue or sell any shares of capital stock or an ownership interest of such subsidiary and there are no preemptive rights or other rights to subscribe for or purchase any shares of the capital stock or any ownership interest of the Company's subsidiaries. Each of the Company's subsidiaries holds all licenses, certificates, permits, franchises and authorizations from governmental authorities necessary for the conduct of its business.

(iii) As of the date specified therein, the Company had authorized and issued capital stock as set forth under the caption "Capitalization" in the Final Prospectus. All of the outstanding shares of Common Stock (including the shares to be sold by the Selling Stockholders) have been duly authorized and are validly issued, fully paid and nonassessable; none of the issued shares have been issued in violation of or subject to any preemptive rights provided for by law, agreement or

17

18

the Company's articles of incorporation. The Company does not have outstanding any options to purchase, or any rights or warrants to subscribe for, or any securities or obligations convertible into, or any contracts or commitments to issue or sell any shares of capital stock, and there are no preemptive rights or other rights to subscribe for or purchase any shares of the capital stock of the Company, or any restriction upon the transfer of, the Shares pursuant to the Company's articles of incorporation or bylaws or any agreement or other instrument to which the Company is a party or by which it may be bound, except as described in the Effective Prospectus and Final Prospectus. Neither the filing of the Registration Statement nor the offer or sale of the Shares as contemplated by this Agreement gives rise to any rights, other than those which have been waived or satisfied, for or relating to the registration of any shares of Common Stock or any other securities of the Company. The Underwriters will receive good and marketable title to the Shares to be issued and delivered by the Company pursuant to this Agreement, free and clear of all liens, encumbrances, claims, security interests, restrictions, stockholders agreements and voting trusts whatsoever. The capital stock of the Company and the Shares conform to the description thereof contained in the Final Prospectus. All offers and sales of the Company's interests and securities prior to the date hereof were at all relevant times duly registered or exempt from the registration requirements of the Securities Act and were duly registered or the subject of an exemption from the registration requirements of applicable state securities or Blue Sky laws.

(iv) No consent, approval, authorization or order of any court or governmental agency or body or third party is required for the performance of this Agreement by the Company or the consummation by the Company of the transactions contemplated hereby, except such as have been obtained under the Securities Act and such as may be required by the NASD and under state securities or Blue Sky laws in connection with the purchase and distribution of the Shares by the several Underwriters, as to which such counsel need not express an opinion. The performance of this Agreement by the Company and the consummation by the Company of the transactions contemplated hereby will not conflict with or result in a breach or violation by the Company of any of the terms or provisions of, or constitute a default by the Company under, any material indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument known to such counsel to which the Company or any of its subsidiaries is a party or to which the Company or any of its subsidiaries or their properties is subject, the articles of incorporation or bylaws of the Company or any of its subsidiaries, any statute, or any judgment, decree, order, rule or regulation of any court or governmental agency or body known to such counsel to be applicable to the Company or any of their subsidiaries or their properties.

(v) The Company has full legal right, power and authority to enter into this Agreement, and this Agreement has been duly authorized, executed and delivered by the Company and constitutes the valid and legally binding obligation of the Company enforceable against the Company in accordance with its terms.

(vi) Except as described in the Final Prospectus, there is not pending or, to the best knowledge of such counsel, threatened any action, suit, proceeding, inquiry or investigation, to which the Company or any of its subsidiaries is a party, or to which the property of the Company or any of its subsidiaries is subject, before or brought by any court or governmental agency or body, which, if determined adversely to the Company or any of its subsidiaries, could result in any material adverse change in the business, financial position, net worth or results of operations, or could materially adversely affect the properties or assets, of the Company or any of its subsidiaries.

(vii) No default exists, and no event has occurred which with notice or after the lapse of time to cure or both, would constitute a default, in the due performance and observance of any term, covenant or condition of any material indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument known to such counsel to which the Company or any of its subsidiaries is a party or to which its properties are subject, or of the articles of incorporation or bylaws of the Company or any of its subsidiaries.

(viii) Neither the Company nor any of its subsidiaries is in violation of any law, ordinance, administrative or governmental rule or regulation applicable to the Company or any decree of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries which would have a material adverse effect on the Company or any of its subsidiaries.

(ix) The Registration Statement and all post-effective amendments thereto have become effective under the Securities Act, and, to the knowledge of such counsel, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are threatened, pending or contemplated by the Commission. All filings required by Rule 424 and Rule 430A of the Rules and Regulations have been made; the Registration Statement, the Effective Prospectus and Final Prospectus, and any amendments or supplements thereto, as of their respective effective or issue dates, complied as to form in all material respects with the requirements of the Securities Act and the Rules and Regulations; the descriptions in the Registration Statement, the Effective Prospectus and the Final Prospectus of statutes, regulations, legal and governmental proceedings, and contracts and other documents are accurate in all material respects and present fairly in all material respects the information required to be stated; and such counsel does not know of any pending or threatened legal or

governmental proceedings, statutes or regulations required to

be described in the Final Prospectus which are not described as required nor of any contracts or documents of a character required to be described in the Registration Statement or the Final Prospectus or to be filed as exhibits to the Registration Statement which are not described and filed as required.

In addition to the matters set forth above, such opinion shall also include a statement to the effect that nothing has come to the attention of such counsel which leads them to believe that the Registration Statement, the Effective Prospectus and the Final Prospectus or any amendment or supplement thereto contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which they were made (except that such counsel need express no view as to financial statements, schedules and other financial or statistical information included, or incorporated by reference therein).

(d) The Representatives shall have received an opinion, dated the Closing Date, of Foley & Lardner, counsel for the Selling Stockholders, reasonably acceptable to the Representatives, to the effect that:

(i) This Agreement has been duly executed and delivered by or on behalf of each of the Selling Stockholders and constitute valid and binding agreements of such Selling Stockholders enforceable in accordance with their terms.

(ii) The sale of the Shares to be sold by each Selling Stockholder hereunder and the compliance by such Selling Stockholder with all of the provisions of this Agreement and the consummation of the transactions herein contemplated will not conflict with or result in a breach or violation of any terms or provisions of, or constitute a default under any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which such Selling Stockholder is a party or by which such Selling Stockholder is bound or to which any of the property or assets of such Selling Stockholder is subject, or any statute, order, rule or regulation of any court or governmental agency or body applicable to such Selling Stockholder or the property of such Selling Stockholder.

(iii) No consent, approval, authorization or order of any court or governmental agency or body is required for the consummation of the transactions contemplated by this Agreement in connection with the Shares to be sold by each Selling Stockholder hereunder, except which have been duly obtained and in full force and effect, such as have been obtained under the Securities Act and such as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of such Shares by the Underwriters, as to which such counsel need express no opinion.

20

21

(iv) Each of the Selling Stockholders has full right, power and authority to sell, transfer and deliver such Shares pursuant to this Agreement. By delivery of a certificate or certificates therefor, the Selling Stockholders will transfer to the Underwriters good, valid and marketable title to such shares, free and clear of any pledge, lien, security interest, charge, claim, equity, or encumbrance of any kind, assuming (A) the Underwriters are without notice of every adverse claim and (B) the Underwriters have purchased such shares in good faith.

(v) No transfer taxes are required to be paid in connection with the sale and delivery of the Shares to the



Underwriters hereunder.

(e) The Underwriters shall have received an opinion or opinions, dated the Closing Date, of Bass, Berry & Sims PLC, counsel for the Underwriters, with respect to the Registration Statement and the Final Prospectus, and such other related matters as the Underwriters may require, and the Company shall have furnished to such counsel such documents as they may reasonably request for the purpose of enabling them to pass upon such matters.

(f) The Representatives shall have received from Price Waterhouse LLP, a letter dated the date hereof and, at the Closing Date, a second letter dated the Closing Date, in form and substance satisfactory to the Representatives, stating that they are independent public accountants with respect to the Company within the meaning of the Securities Act and the applicable Rules and Regulations, and to the effect that:

(i) In their opinion, the consolidated financial statements and schedules examined by them and included or incorporated by reference in the Registration Statement comply as to form in all material respects with the applicable accounting requirements of the Securities Act and the published Rules and Regulations and are presented in accordance with generally accepted accounting principles; and they have made a review in accordance with standards established by the American Institute of Certified Public Accountants of the interim consolidated financial statements, selected financial data and/or condensed financial statements derived from audited financial statements of the Company;

(ii) The audited selected consolidated financial information included in the Preliminary Prospectus and the Final Prospectus under the captions "PROSPECTUS SUMMARY" and "SELECTED FINANCIAL AND OPERATING DATA" agrees with the corresponding amounts in the audited consolidated financial statements included or incorporated by reference in the Final Prospectus or previously reported on by them;

21

22

(iii) On the basis of a reading of the latest available interim financial statements (unaudited) of the Company and its subsidiaries, a reading of the minute books of the Company and its subsidiaries, inquiries of officials of the Company and its subsidiaries responsible for financial and accounting matters and other specified procedures, all of which have been agreed to by the Representatives, nothing came to their attention that caused them to believe that:

(A) The amounts included in the Preliminary Prospectus and the Final Prospectus under the caption "PROSPECTUS SUMMARY", "SELECTED FINANCIAL AND OPERATING DATA" and "MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS" for the three and five years, respectively, ended December 30, 1995 do not agree with the corresponding amounts in the audited consolidated financial statements included or incorporated by reference in the Final Prospectus or previously reported on by them;

(B) The unaudited consolidated financial statements included or incorporated by reference in the Registration Statement, including the amounts included under the captions "PROSPECTUS SUMMARY", "SELECTED FINANCIAL AND OPERATING DATA" and "MANAGEMENT'S DISCUSSION OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS" do not comply as to form in

all material respects with the accounting requirements of the federal securities laws and the related published rules and regulations thereunder or are not in conformity with generally accepted accounting principles applied on a basis substantially consistent with the basis for the audited financial statements contained or incorporated by reference in the Registration Statement;

(C) Any other unaudited consolidated financial statement data included in the Final Prospectus do not agree with the corresponding items in the audited consolidated financial statements from which data was derived and any such unaudited data were not determined on a basis substantially consistent with the basis for the corresponding amounts in the audited financial statements contained or incorporated by reference in the Final Prospectus;

(D) at a specified date not more than five days prior to the date of delivery of such respective letter, there was any change in the capital stock, decline in net current assets (working capital), total assets or stockholders' equity or increase in total debt of the Company and its subsidiaries, in each case as compared with amounts shown in the latest

22

23

balance sheets included in the Final Prospectus, except in each case for changes, decreases or increases which are described in such letters; and

(E) for the period from the closing date of the latest statements of earnings included in the Effective Prospectus and the Final Prospectus to a specified date not more than five days prior to the date of delivery of such respective letter, there were any decreases in net sales, income from operations, income from net income and net income per share of the Company, in each case as compared with the corresponding period of the preceding year, except in each case for decreases which are described in such letter.

(iv) They have carried out certain specified procedures, not constituting an audit, with respect to certain amounts, percentages and financial information specified by you which are derived from the general accounting records of the Company and its subsidiaries, which appear in the Effective Prospectus and the Final Prospectus and have compared and agreed such amounts, percentages and financial information with the accounting records of the Company and its subsidiaries or to analyses and schedules prepared by the Company and its subsidiaries from its detailed accounting records.

In the event that the letters to be delivered referred to above set forth any such changes, decreases or increases, it shall be a further condition to the obligations of the Underwriters that the Underwriters shall have determined, after discussions with officers of the Company responsible for financial and accounting matters and with Price Waterhouse LLP, that such changes, decreases or increases as are set forth in such letters do not reflect a material adverse change in the total assets, stockholders' equity or total indebtedness of the Company as compared with the amounts shown in the latest balance sheets of the Company included in the Final Prospectus, or a material

adverse change in net sales, net income or net income per share of the Company, in each case as compared with the corresponding period of the prior year.

(g) There shall have been furnished to the Representatives a certificate, dated the Closing Date and addressed to you, signed by the Chief Executive Officer and by the Chief Financial Officer of the Company to the effect that:

(i) the representations and warranties of the Company in Section 1 of this Agreement are true and correct, as if made at and as of the Closing Date, and the Company has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Date;

23

24

(ii) no stop order suspending the effectiveness of the Registration Statement has been issued, and no proceedings for that purpose have been initiated or are pending, or to their knowledge, threatened under the Securities Act;

(iii) all filings required by Rule 424 and Rule 430A of the Rules and Regulations have been made;

(iv) they have carefully examined the Registration Statement, the Effective Prospectus and the Final Prospectus, and any amendments or supplements thereto, and such documents do not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which they were made; and

(v) since the effective date of the Registration Statement, there has occurred no event required to be set forth in an amendment or supplement to the Registration Statement, the Effective Prospectus or the Final Prospectus which has not been so set forth.

(h) The representations and warranties of each Selling Stockholder shall be true and correct as of the Closing Date, and each such Selling Stockholder shall deliver to the Representatives a certificate to that effect, dated the Closing Date, signed by each such Selling Stockholder.

(i) Subsequent to the respective dates as of which information is given in the Registration Statement and the Final Prospectus, and except as stated therein, the Company has not sustained any material loss or interference with its business or properties from fire, flood, hurricane, accident or other calamity, whether or not covered by insurance, or from any labor dispute or any court or governmental action, order or decree, or become a party to or the subject of any litigation which is material to the Company, nor shall there have been any material adverse change, or any development involving a prospective material adverse change, in the business, properties, key personnel, capitalization, prospects, net worth, results of operations or condition (financial or other) of the Company, which loss, interference, litigation or change, in the Representatives' reasonable judgment shall render it unadvisable to commence or continue the offering of the Shares at the offering price to the public set forth on the cover page of the Prospectus or to proceed with the delivery of the Shares.

All such opinions, certificates, letters and documents delivered pursuant to this Agreement will comply with the provisions hereof only if they are reasonably satisfactory to the Representatives and their counsel. The Company shall furnish to the Representatives such conformed copies of such opinions, certificates, letters and documents in such quantities as the

Representatives shall reasonably request.

24

25

The respective obligations of the Underwriters to purchase and pay for the Option Shares shall be subject, in their discretion, to each of the foregoing conditions to purchase the Firm Shares, except that all references to the "Closing Date" shall be deemed to refer to the Option Closing Date, if it shall be a date other than the Closing Date.

8. Condition of the Company's and the Selling Stockholders' Obligations. The obligations hereunder of the Company and the Selling Stockholders are subject to the condition set forth in Section 7(a) hereof.

9. Indemnification and Contribution.

(a) The Company and the Selling Stockholders, jointly and severally, agree to indemnify and hold harmless each Underwriter, and each person, if any, who controls any Underwriter within the meaning of the Securities Act, against any losses, claims, damages or liabilities to which such Underwriter or controlling person may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based in whole or in part upon: (i) any inaccuracy in the representations and warranties of the Company or the Selling Stockholders contained herein; (ii) any failure of the Company or the Selling Stockholders to perform their obligations hereunder or under law; (iii) any untrue statement or alleged untrue statement of any material fact contained in (A) the Registration Statement, any Preliminary Prospectus, the Effective Prospectus or Final Prospectus, or any amendment or supplement thereto, or (B) in any Blue Sky application or other written information furnished by the Company or the Selling Stockholders filed in any state or other jurisdiction in order to qualify any or all of the Shares under the securities laws thereof (a "Blue Sky Application"); or (iv) the omission or alleged omission to state in the Registration Statement, any Preliminary Prospectus, the Effective Prospectus or Final Prospectus or any amendment or supplement thereto, any Marketing Materials or Blue Sky Application a material fact required to be stated therein or necessary to make the statements therein not misleading; and will reimburse each Underwriter and each such controlling person for any legal or other expenses reasonably incurred by such Underwriter or such controlling person in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that neither the Company nor the Selling Stockholders will be liable in any such case to the extent that any such loss, claim, damage, or liability arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement, any Preliminary Prospectus, the Effective Prospectus or Final Prospectus, or any amendment or supplement thereto, or any Marketing Materials or Blue Sky Application in reliance upon and in conformity with written information furnished to the Company by any Underwriter specifically for use therein (it being understood that the only information so provided is the information included in the last paragraph on the cover page and in the first and third paragraphs under the caption "Underwriting" in any Preliminary Prospectus and the Final Prospectus and the Effective Prospectus).

25

26

Notwithstanding the foregoing provisions of this Section 9, the parties agree that each Selling Stockholder shall be liable in any

case only to the extent of the total net proceeds (before deducting expenses) received from the Underwriters by such Selling Stockholder in connection with the sale of the Shares hereunder. For purposes of this Section 9(a), Jay Stein shall be deemed to be liable to the same extent as the Stein Ventures Limited Partnership, provided, that the aggregate liability of Jay Stein and the Stein Ventures Limited Partnership shall not exceed the total net proceeds received from the Underwriters by the Stein Ventures Limited Partnership in connection with the sale of the Shares hereunder.

(b) Each Underwriter will indemnify and hold harmless the Selling Stockholders and the Company, each of its directors, each of its officers who signed the Registration Statement and each person, if any, who controls the Company within the meaning of the Securities Act against any losses, claims, damages or liabilities to which the Company or any such director, officer or controlling person may become subject, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, any Preliminary Prospectus, the Effective Prospectus or Final Prospectus, or any amendment or supplement thereto, any Blue Sky Application, or arise out of or are based upon the omission or the alleged omission to state in the Registration Statement, any Preliminary Prospectus, the Effective Prospectus or Final Prospectus, or any amendment or supplement thereto or any Blue Sky Application a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by any Underwriter specifically for use therein (it being understood that the only information so provided is the information included in the last paragraph on the cover page and in the first and third paragraphs under the caption "Underwriting" in any Preliminary Prospectus and in the Effective Prospectus and the Final Prospectus);

(c) Promptly after receipt by an indemnified party under this Section 9 of notice of the commencement of any action, including governmental proceedings, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 9 notify the indemnifying party of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under this Section 9. In case any such action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein, and to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party; and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such

indemnified party under this Section 9 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation except that the indemnified party shall have the right to employ separate counsel if, in the indemnified party's reasonable judgment, it is advisable for the indemnified party to be represented by separate counsel, and in that event the fees and expenses of separate counsel shall be paid by the indemnifying party.

(d) In order to provide for just and equitable contribution in circumstances in which the indemnity agreement provided for in the preceding part of this Section 9 is for any reason held to be unavailable to the Underwriters, the Company or the Selling

Stockholders or is insufficient to hold harmless an indemnified party, then the Company and the Selling Stockholders shall contribute to the damages paid by the Underwriters, and the Underwriters shall contribute to the damages paid by the Company and the Selling Stockholders; provided, however, that no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. In determining the amount of contribution to which the respective parties are entitled, there shall be considered the relative benefits received by each party from the offering of the Shares (taking into account the portion of the proceeds of the offering realized by each), the parties' relative knowledge and access to information concerning the matter with respect to which the claim was asserted, the opportunity to correct and prevent any statement or omission, and any other equitable considerations appropriate under the circumstances. The Company, the Selling Stockholders and the Underwriters agree that it would not be equitable if the amount of such contribution were determined by pro rata or per capita allocation (even if the Underwriters were treated as one entity for such purpose). No Underwriter or person controlling such Underwriter shall be obligated to make contribution hereunder which in the aggregate exceeds the underwriting discount applicable to the Shares purchased by such Underwriter under this Agreement, less the aggregate amount of any damages which such Underwriter and its controlling persons have otherwise been required to pay in respect of the same or any similar claim. The Underwriters' obligations to contribute hereunder are several in proportion to their respective underwriting obligations and not joint. For purposes of this Section, each person, if any, who controls an Underwriter within the meaning of Section 15 of the Securities Act shall have the same rights to contribution as such Underwriter, and each director of the Company, each officer of the Company who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act, shall have the same rights to contribution as the Company.

(e) No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action, suit or proceeding in respect of which any indemnified party is a party or is (or would be, if a claim were to be made against such indemnified party) entitled to indemnity hereunder,

unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such action, suit or proceeding.

10. Default of Underwriters. If any Underwriter defaults in its obligation to purchase Shares hereunder and if the total number of Shares which such defaulting Underwriter agreed but failed to purchase is ten percent or less of the total number of Shares to be sold hereunder, the non-defaulting Underwriters shall be obligated severally to purchase (in the respective proportions which the number of Shares set forth opposite the name of each non-defaulting Underwriter in Schedule I hereto bears to the total number of Shares set forth opposite the names of all the non-defaulting Underwriters), the Shares which such defaulting Underwriter or Underwriters agreed but failed to purchase. If any Underwriter so defaults and the total number of Shares with respect to which such default or defaults occur is more than ten percent of the total number of Shares to be sold hereunder, and arrangements satisfactory to the other Underwriters, the Company and the Selling Stockholders for the purchase of such Shares by other persons (who may include the non-defaulting Underwriters) are not made within 36 hours after such default, this Agreement, insofar as it relates to the sale of the Shares, will terminate without liability on the part of the non-defaulting Underwriters or the Company except for (i) the provisions of Section 9 hereof, and (ii) the expenses to be paid or reimbursed by the Company and the Selling Stockholders

pursuant to Section 6. As used in this Agreement, the term "Underwriter" includes any person substituted for an Underwriter under this Section 10. Nothing herein shall relieve a defaulting Underwriter from liability for its default.

11. Default by the Selling Stockholders. If any of the Selling Stockholders shall fail to sell and deliver the number of Firm Shares that such Selling Stockholder is obligated to sell, the Representatives may, at their option, by notice to the Company and the Selling Stockholders, elect to purchase the Firm Shares and the Option Shares that the non-defaulting Selling Stockholders have agreed to sell pursuant to this Agreement.

In the event of a default under this Section that does not result in the termination of this Agreement, the Representatives shall have the right to postpone the First Closing Date or Option Closing Date for a period not exceeding seven days in order to effect any required changes in the Registration Statement or Prospectus or in any other documents or arrangements. No action taken pursuant to this Section shall relieve the Company or the Selling Stockholder so defaulting from liability, if any, in respect of such default.

12. Survival Clause. The respective representations, warranties, agreements, covenants, indemnities and other statements of the Selling Stockholders, the Company, its officers and the Underwriters set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement shall remain in full force and effect, regardless of (a) any investigation made by or on behalf of the Company, any of its officers or directors, any Underwriter or any controlling person, (b) any termination of this Agreement and (c) delivery of and payment for the Shares.

28

29

13. Effective Date. This Agreement shall become effective at whichever of the following times shall first occur: (i) at 11:30 A.M., Washington, D.C. time, on the next full business day following the date on which the Registration Statement becomes effective or (ii) at such time after the Registration Statement has become effective as the Representatives shall release the Firm Shares for sale to the public; provided, however, that the provisions of Sections 6, 9, 12 and 13 hereof shall at all times be effective. For purposes of this Section 13, the Firm Shares shall be deemed to have been so released upon the release by the Representatives for publication, at any time after the Registration Statement has become effective, of any newspaper advertisement relating to the Firm Shares or upon the release by the Representatives of telegrams offering the Firm Shares for sale to securities dealers, whichever may occur first.

14. Termination.

(a) This Agreement may be terminated by the Company or the Selling Stockholders by notice to the Representatives (i) at any time before it becomes effective in accordance with Section 13 hereof, or (ii) in the event that the condition set forth in Section 8 shall not have been satisfied at or prior to the First Closing Date.

(b) This Agreement may be terminated by the Representatives by notice to the Company and the Selling Stockholders (i) at any time before it becomes effective in accordance with Section 13 hereof; (ii) in the event that at or prior to the First Closing Date the Company or any Selling Stockholder shall have failed, refused or been unable to perform any agreement on the part of the Company or such Selling Stockholder to be performed hereunder or any other condition to the obligations of the Underwriters hereunder is not fulfilled; (iii) if at or prior to the Closing Date trading in securities on the New York Stock Exchange, the Nasdaq, the American Stock Exchange or the over-the-counter market shall have been suspended or materially limited or minimum or maximum prices shall have been established on either of such exchanges or such market, or a banking moratorium shall have been declared by Federal or state authorities; (iv) if at or prior to the Closing Date trading in

securities of the Company shall have been suspended; or (v) if there shall have been such a material adverse change in general economic, political or financial conditions or if the effect of international conditions on the financial markets in the United States shall be such as, in your reasonable judgment, makes it inadvisable to commence or continue the offering of the Shares at the offering price to the public set forth on the cover page of the Prospectus or to proceed with the delivery of the Shares.

(c) Termination of this Agreement pursuant to this Section 14 shall be without liability of any party to any other party other than as provided in Sections 6 and 9 hereof.

15. Notices. All communications hereunder shall be in writing and, if sent to any of the Underwriters, shall be mailed or delivered or telegraphed and confirmed in writing to the Representatives in care of J. C. Bradford & Co., J. C. Bradford Financial Center, 330 Commerce Street, Nashville, Tennessee 37201, Attention: James H. Graves, or if sent to the Company or to

29

30

the Selling Stockholders shall be mailed, delivered or telegraphed and confirmed in writing to the Company at 1200 Riverplace Boulevard, Jacksonville, Florida 32207, Attention: John H. Williams, Jr.

16. Miscellaneous. This Agreement shall inure to the benefit of and be binding upon the several Underwriters, the Company and the Selling Stockholders and their respective successors and legal representatives. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the Company and the Selling Stockholders and the several Underwriters and for the benefit of no other person except that (a) the representations and warranties of the Company and the Selling Stockholders contained in this Agreement shall also be for the benefit of any person or persons who control any Underwriter within the meaning of Section 15 of the Securities Act, and (b) the indemnities by the Underwriters shall also be for the benefit of the directors of the Company, officers of the Company who have signed the Registration Statement and any person or persons who control the Company within the meaning of Section 15 of the Securities Act. No purchaser of Shares from any Underwriter will be deemed a successor because of such purchase. The validity and interpretation of this Agreement shall be governed by the laws of the State of Tennessee. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The Representatives hereby represent and warrant to the Company and the Selling Stockholders that the Representatives have authority to act hereunder on behalf of the several Underwriters, and any action hereunder taken by the Representatives will be binding upon all the Underwriters.

If the foregoing is in accordance with your understanding of our agreement, please indicate your acceptance thereof in the space provided below for that purpose, whereupon this letter shall constitute a binding agreement among the Company, the Selling Stockholders and each of the several Underwriters.

Very truly yours,

STEIN MART, INC.

By:

Title: \_\_\_\_\_

Confirmed and accepted as of the date first above written.



J.C. BRADFORD & CO., L.L.C.  
NATWEST SECURITIES LIMITED  
WASSERSTEIN PERELLA SECURITIES, INC.  
For themselves and as Representatives of the Several

30

31  
Confirmed and accepted as of the  
date first above written.

J.C. BRADFORD & CO., L.L.C.  
NATWEST SECURITIES LIMITED  
WASSERSTEIN PERELLA SECURITIES, INC.  
For themselves and as Representatives of the Several  
Underwriters

By: \_\_\_\_\_  
Partner

SELLING STOCKHOLDERS:  
STEIN VENTURES LIMITED PARTNERSHIP

By: \_\_\_\_\_  
Jay Stein, General Partner

By: \_\_\_\_\_  
John H. Williams, Jr.

By: \_\_\_\_\_  
Jay Stein

31

32

SCHEDULE I  
UNDERWRITERS

Underwriter -----	Number of Firm Shares to Be Purchased -----
J.C. Bradford & Co., L.L.C.. . . . .	
Natwest Securities Limited . . . . .	
Wasserstein Perella Securities, Inc.. . . . .	
	-----
TOTAL	3,500,000 =====

SCHEDULE II  
SELLING STOCKHOLDERS

Name -----	Number of Firm Shares To Be Sold -----	Number of Options To Be Sold -----
Stein Ventures Limited Partnership	3,200,000	525,000
John H. Williams, Jr.	300,000 -----	-- -----
Total . . . . .	3,500,000 =====	525,000 =====

August 27, 1996

Stein Mart, Inc.  
1200 Riverplace Boulevard  
Jacksonville, FL 32207

Re: Registration Statement on Form S-3

Ladies and Gentlemen:

This opinion is being furnished in connection with the Registration Statement on Form S-3 (the "Registration Statement") of Stein Mart, Inc. (the "Company"), under the Securities Act of 1933, as amended, for the registration of 4,025,000 shares of common stock, par value \$0.01 (the "Shares").

We have examined and are familiar with the following:

A. Articles of Incorporation of the Company, as amended, as filed in the Office of the Secretary of State of the State of Florida;

B. Bylaws of the Company;

C. The proceedings of the Board of Directors in connection with the issuance of the Shares;

D. Such other documents, Company records and matters of law as we have deemed to be pertinent.

Based on the foregoing, it is our opinion that:

1. The Company has been duly incorporated and is validly existing and in good standing under the laws of the State of Florida.

2. The Shares are duly authorized, legally issued, fully paid and non-assessable.

We hereby consent to the inclusion of this opinion as Exhibit 5 in the Registration Statement. In giving this consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules or regulations of the Securities and Exchange Commission promulgated thereunder.

FOLEY & LARDNER

By: /s/ LINDA Y. KELSO

-----

Linda Y. Kelso

## CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We hereby consent to the incorporation by reference in the Prospectus constituting part of this Registration Statement on Form S-3 of our report dated February 23, 1996, which appears on page 13 of the 1995 Annual Report to the Shareholders of Stein Mart, Inc., which is incorporated by reference in Stein Mart, Inc.'s Annual Report on Form 10-K for the year ended December 30, 1995. We also consent to the references to us under the headings "Experts" and "Selected Financial and Operating Data" in such Registration Statement. However, it should be noted that Price Waterhouse LLP has not prepared or certified such "Selected Financial and Operating Data".

PRICE WATERHOUSE LLP

Orlando, Florida  
August 27, 1996