

U.S. Securities and Exchange Commission
Washington, D.C. 20549

Form 10-Q

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

For the quarterly period ended September 30, 1998

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

For the transition period from to

Commission file number 1-10932

INDIVIDUAL INVESTOR GROUP, INC.
(Exact name of registrant as specified in its charter)

Delaware 13-3487784
(State or other jurisdiction of (IRS Employer
incorporation or organization) Identification No.)

1633 Broadway, 38th Floor, New York, New York 10019
(Address of principal executive offices)

(212) 843-2777
(Registrant's telephone number)

Check whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No .

State the number of shares outstanding of each of the registrant's classes of common equity, as of the latest practicable date: As of October 26, 1998, registrant had outstanding 8,490,851 shares of Common Stock, \$.01 par value per share.

INDIVIDUAL INVESTOR GROUP, INC. AND SUBSIDIARIES

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INDIVIDUAL INVESTOR GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED CONDENSED BALANCE SHEETS
(UNAUDITED)

ASSETS	September 30, 1998	December 31, 1997
	-----	-----
Current assets:		
Cash and cash equivalents	\$4,657,987	\$3,533,622
Marketable securities (Note 6)	518,392	-
Accounts receivable (net of allowances of \$336,964 in 1998 and \$533,693 in 1997)	2,511,571	2,993,299
Investment in discontinued operations (Note 2)	816,580	4,037,432
Prepaid expenses and other current assets	223,832	224,801
	-----	-----
Total current assets	8,728,362	10,789,154
Deferred subscription expense	623,180	426,826
Property and equipment - net	419,529	556,070
Other assets	385,727	384,917
	=====	=====
Total assets	\$10,156,798	\$12,156,967
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$2,256,689	\$2,093,987
Accrued expenses	778,230	803,502
Deferred revenue	167,034	343,250
	-----	-----
Total current liabilities	3,201,953	3,240,739
Deferred subscription revenue	2,248,562	2,661,129
	-----	-----
Total liabilities	5,450,515	5,901,868
	-----	-----
Stockholders' Equity:		
Preferred stock, \$.01 par value, authorized 2,000,000 shares	-	-
Common stock, \$.01 par value; authorized 18,000,000 shares; issued and outstanding 8,490,851 shares in 1998 and 7,146,071 shares in 1997	84,908	71,461
Additional paid-in capital	24,899,068	19,514,363
Accumulated deficit	(19,946,257)	(13,330,725)
Accumulated other comprehensive loss (Note 6)	(331,436)	-
	-----	-----
Total stockholders' equity	4,706,283	6,255,099
	=====	=====
Total liabilities and stockholders' equity	\$10,156,798	\$12,156,967
	=====	=====

See Notes to Consolidated Condensed Financial Statements

INDIVIDUAL INVESTOR GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended Sept 30,		Nine Months Ended Sept 30,	
	1998	1997	1998	1997
Revenues:				
Advertising	\$2,915,518	\$2,416,561	\$8,107,316	\$6,778,303
Circulation	835,715	893,165	2,605,576	3,012,876
List rental and other	296,478	369,738	950,322	953,175
Total revenues	4,047,711	3,679,464	11,663,214	10,744,354
Operating expenses				
Editorial, production and distribution	2,818,854	2,483,837	8,687,742	6,808,713
Promotion and selling	1,609,155	1,516,473	4,857,883	4,358,746
General and administrative	932,156	1,110,066	3,825,309	3,253,191
Depreciation and amortization	80,888	103,055	232,467	235,652
Total operating expenses	5,441,053	5,213,431	17,603,401	14,656,302
Operating loss from continuing operations	(1,393,342)	(1,533,967)	(5,940,187)	(3,911,948)
Interest income	62,362	26,236	106,025	57,425
Loss from continuing operations	(1,330,980)	(1,507,731)	(5,834,162)	(3,854,523)
Discontinued operations (Note 2)				
Income (loss) from discontinued operations	-	1,473,224	(189,629)	85,328
Loss on disposal of discontinued operations	(145,291)	-	(591,741)	-
(Loss) income from discontinued operations	(145,291)	1,473,224	(781,370)	85,328
Net loss	(\$1,476,271)	(\$34,507)	(\$6,615,532)	(\$3,769,195)
Basic and dilutive (loss) income per common share:				
Continuing operations	(\$0.16)	(\$0.23)	(\$0.76)	(\$0.60)
Discontinued operations	(\$0.02)	\$0.22	(\$0.10)	\$0.01
Net loss	(\$0.17)	(\$0.01)	(\$0.86)	(\$0.59)
Average number of common shares used in computing basic and dilutive loss per common share				
	8,490,851	6,638,148	7,669,479	6,400,435

See Notes to Consolidated Condensed Financial Statements

INDIVIDUAL INVESTOR GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Nine Months Ended September 30,	
	1998	1997
Cash flows from operating activities:		
Net loss	(\$6,615,532)	(\$3,769,195)
Less:		
(Loss) income from discontinued operations	(781,370)	85,328
Loss from continuing operations	(5,834,162)	(3,854,523)
Reconciliation of net loss to net cash used in operating activities:		
Depreciation and amortization	232,467	235,652
Loss on sale of equipment	2,634	-
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	481,728	86,931
Prepaid expenses and other current assets	969	(110,820)
Other assets	(810)	-
Deferred subscription expense	(196,354)	350,087
Increase (decrease) in:		
Accounts payable and accrued expenses	137,430	(21,271)
Deferred subscription revenue	(412,567)	(688,848)
Deferred revenue	(176,216)	412,000
Net cash used in operating activities	(5,764,881)	(3,590,792)
Cash flows from investing activities:		
Purchase of property and equipment	(102,011)	(128,983)
Proceeds from sale of equipment	3,451	-
Net cash provided by discontinued operations	1,589,654	1,144,611
Net cash provided by investing activities	1,491,094	1,015,628
Cash flows from financing activities:		
Proceeds from exercise of stock options (Note 3)	398,152	736,786
Proceeds from issuance of common stock (Note 5)	5,000,000	2,250,000
Net cash provided by financing activities	5,398,152	2,986,786
Net increase in cash and cash equivalents	1,124,365	411,622
Cash and cash equivalents, beginning of period	3,533,622	1,544,451
Cash and cash equivalents, end of period	\$4,657,987	\$1,956,073

See Notes to Consolidated Condensed Financial Statements

INDIVIDUAL INVESTOR GROUP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1998 AND 1997
(UNAUDITED)

1. BASIS OF PRESENTATION

The consolidated condensed financial statements include the accounts of Individual Investor Group, Inc. and its subsidiaries (the "Company"). Such financial statements have been prepared in accordance with generally accepted accounting principles for interim financial reporting and with the instructions to Form 10-Q. Accordingly, they do not include all of the information and footnotes as required by generally accepted accounting principles for annual financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results for the nine months ended September 30, 1998 are not necessarily indicative of the results that may be expected for the year ending December 31, 1998. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report for the year ended December 31, 1997 on Form 10-KSB.

2. DISCONTINUED OPERATIONS

On April 30, 1998 the Company's Board of Directors decided to discontinue the Company's investment management services business. A wholly owned subsidiary of the Company, WisdomTree Capital Management, Inc. ("WTCM"), serves as general partner of (and is an investor in) a domestic private investment fund. The Company is also a limited partner in the fund. As a result of the Board's decision, WTCM is dissolving the domestic investment fund, liquidating its investments and distributing the net assets to all investors as promptly as possible. In July 1998 the fund distributed \$19,682,415 to its partners in cash and securities. In October 1998 the fund distributed additional funds totaling approximately \$4,500,000 in cash to its partners. The remainder of the net assets will be distributed as soon as the investments held by the fund are liquidated. The operating results relating to investment management services have been segregated from continuing operations and reported as a separate line item on the statement of operations. As a result the Company has restated its financial statements for the corresponding periods of the prior year.

Operating results from discontinued operations are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1998	1997	1998	1997
Investment management services revenues	-	\$141,999	\$137,183	\$439,191
Net (depreciation) appreciation in fund	-	1,371,887	(276,497)	(159,283)
Operating expenses	-	(40,662)	(50,315)	(194,580)
	=====	=====	=====	=====
(Loss) income from discontinued operations	-	\$1,473,224	\$(189,629)	\$85,328
	=====	=====	=====	=====

Loss on disposal of discontinued operations totaled \$145,291 and \$591,741 for the three and nine months ended September 30, 1998, respectively. Under generally accepted accounting principles, loss on disposal of discontinued operations includes actual losses from the date the Board resolved to discontinue the investment management services operations plus a provision for additional losses based on management's best estimate of the amount to be realized on dissolution of the fund, including applicable severance and legal fees. Additional losses were incurred in the third quarter as a result of changes in the market value of the fund's investments.

The fair market value of the Company's investment in the discontinued operations decreased from \$4,037,432 at December 31, 1997 to \$816,580 at September 30, 1998. The net depreciation in the Company's investment for the three and nine months ended September 30, 1998 was \$168,799 and \$927,054, respectively. In July 1998 the Company received \$2,293,799 of its investment, including cash of \$1,443,997 and securities of \$849,822 (valued as of June 30, 1998). In October 1998 the Company received an additional \$524,432 in cash from the fund. No assurance can be given that the Company will realize any further amount with respect to its investment in the domestic fund. Moreover, the securities received by the Company in July 1998 suffered a material decline in value between June 30, 1998 and September 30, 1998, and subsequently through the date of this Report. There can be no assurance that such securities will not suffer further material declines in value.

Selected unaudited financial information for the fund as of September 30, 1998 and December 31, 1997 is as follows:

	September 30, 1998	December 31, 1997
Assets (at fair value)	\$ 7,195,281	\$71,245,441
Liabilities	188,459	32,104,302
Partners' capital	7,006,822	39,141,139

The net losses for the fund for the three and nine months ended September 30, 1998 totaled \$1,448,415 and \$7,954,776, respectively, as compared to a net gain of \$16,544,302 and \$3,242,622 for the corresponding periods in 1997.

The Company, through WTCM, also provides investment management services to an offshore private investment fund. On May 21, 1998 the sole voting shareholder of the offshore fund, in consultation with WTCM, resolved to wind up the fund and appointed a liquidator to distribute the assets of the fund to its investors in accordance with Cayman Islands law. In July 1998 approximately 55% of the net assets of the offshore fund were distributed in cash to its investors. The remainder of the net assets will be distributed promptly following the liquidation of the investments held by the fund. The Company has no investment in the offshore fund.

WTCM is also entitled to receive a special allocation equal to 20% of the net income, if any, of each of the funds (not including income earned on its own investment with respect to the domestic fund), subject to certain limitations, calculated at each funds' year-end, which is December 31st for the domestic fund and June 30th for the offshore fund. The amount of the special allocation for the offshore fund for the year ended June 30, 1998 was \$109,319. The Company does not expect to receive a special allocation during 1998 from the domestic fund based on the negative performance of that fund to date.

3. STOCK OPTIONS

During the three and nine months ended September 30, 1998, the Company granted 563,000 and 751,000 options, respectively, to purchase the Company's Common Stock; 84,938 options were exercised year to date providing proceeds of \$398,152 (none were exercised in the third quarter); and 112,500 and 534,310 options were canceled, respectively. Of the total options granted in the third quarter, 250,500 were under the Company's stock option plans and 312,500 were outside the Company's plans, all of which expire at various dates through September 2008.

4. LOSS PER COMMON SHARE

Net loss per basic and dilutive common share for the three and nine month periods ended September 30, 1998 and 1997, respectively, were computed using the weighted average number of common shares outstanding during each period. The exercise of stock options and warrants were not assumed in the computation of loss per common share, as the effect would have been antidilutive. Previously reported net loss per share amounts are the same as required by the adoption of Statement of Financial Accounting Standard ("SFAS") No. 128, "Earnings Per Share," which became effective in the fourth quarter of 1997.

5. SALE OF COMMON STOCK

On June 26, 1998 the Company entered into a Stock Purchase Agreement with Wise Partners, L.P. providing for the sale of 1,259,842 shares of Common Stock for an aggregate purchase price of \$5,000,000, which was based on the closing "ask" price of the common stock on June 25, 1998. Wise Partners; L.P. is a limited partnership of which the Chief Executive Officer of the Company, Jonathan L. Steinberg, is the General Partner.

6. OTHER COMPREHENSIVE INCOME

During the year, the Company adopted SFAS No. 130, "Reporting Comprehensive Income". SFAS No. 130 requires the disclosure of comprehensive income, defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. Comprehensive income is a more inclusive financial reporting methodology that includes disclosure of certain financial information that historically has not been recognized in the calculation of net income.

Comprehensive loss for the three and nine months ended September 30, 1998 and 1997, respectively, is presented in the following table:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1998	1997	1998	1997
Net loss	\$(1,476,271)	\$(34,507)	\$(6,615,532)	\$(3,769,195)
Accumulated other comprehensive loss:				
Unrealized loss on securities	(331,436)	-	(331,436)	-
Total comprehensive loss	\$(1,807,707)	\$(34,507)	\$(6,946,968)	\$(3,769,195)

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

Forward-Looking Statements

When used in this Report and in future filings by the Company with the Securities and Exchange Commission, the words or phrases "will likely result," "expects," "will continue," "estimates," "believes," "anticipates," or similar expressions are intended to identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Readers are cautioned not to place undue reliance on any such forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from the results projected in such forward-looking statements. These risks and uncertainties include those set forth in Item 2 (entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations") of this Report, and in Item 1 (entitled "Business") of Part I and in Item 6 (entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations") of Part II of the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 1997, filed with the Securities and Exchange Commission. These forward-looking statements speak only as of the date of this Report. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or to reflect any change in events, conditions or circumstances on which any such forward-looking statement is based, in whole or in part.

Three and Nine Months Ended September 30, 1998 as Compared to the Three and Nine Months Ended September 30, 1997

Loss from Continuing Operations

The Company's loss from continuing operations was \$1,330,980 and \$5,834,162 for the three and nine months ended September 30, 1998, respectively, a 12% decrease and 51% increase from the corresponding periods of the previous fiscal year. The decrease in the loss from continuing operations for the third quarter of 1998 as compared to the third quarter of 1997 is due primarily to the improved operating performance for Individual Investor and Ticker magazines as well as lower general and administrative ("G&A") costs. The increase in the year to date operating loss for 1998 as compared to the corresponding period of 1997 relates primarily to three factors: the continued investment in the development of the Company's online service, the decrease in advertising pages and revenues for Individual Investor magazine, and high levels of severance and hiring expenses incurred relating to changes in senior management and key advertising sales personnel.

The decrease in the loss from continuing operations for the third quarter of 1998 as compared to the corresponding period of 1997 is due to revenues growing 10% for the period while expenses grew by only 4%. For the three months ended September 30, 1998, total revenues were \$4,047,711 as compared to \$3,679,464 for the same period in 1997. For the three months ended September 30, 1998, total expenses were \$5,441,053 as compared to \$5,213,431 for the same period in 1997. Individual Investor magazine made a positive contribution (before deducting G&A expenses) of \$43,785 for the third quarter of 1998 as compared to a negative contribution (before deducting G&A expenses) of \$34,823 in the corresponding period of 1997. This is primarily attributable to a 36%

decrease in subscription promotion expenses for the magazine. Ticker magazine made a negative contribution (before deducting G&A expenses) of \$1,047 for the third quarter of 1998 as compared to a negative contribution (before deducting G&A expenses) of \$107,535 in the corresponding period of 1997, resulting from a 70% increase in revenues, offset in part by a 34% increase in operating expenses. The Company's online service, Individual Investor Online (www.iionline.com), made a negative contribution (before deducting G&A expenses) of \$437,329 for the third quarter of 1998 as compared to a negative contribution (before deducting G&A expenses) of \$256,261 in the corresponding period of 1997. This is due to higher levels of expenses incurred for the development and redesign of the service, offset in part by an increase in revenues. In addition, G&A expenses decreased by 16% for the third quarter of 1998 as compared to the corresponding period of 1997.

The loss from continuing operations for the nine months ended September 30, 1998 includes a negative contribution (before deducting G&A expenses) of \$1,442,324 from the Company's online service, Individual Investor Online (www.iionline.com), as compared to a negative contribution (before deducting G&A expenses) of \$590,629 in the corresponding period of 1997. This increase is due to higher levels of expenses incurred for the development and redesign of the service, offset in part by higher revenues. Individual Investor magazine incurred a negative contribution (before deducting G&A expenses) of \$312,746 for the nine months ended September 30, 1998, as compared to a positive contribution (before deducting G&A expenses) of \$286,423 in the corresponding period of 1997. This change is primarily due to a 5% decrease in advertising revenues in the 1998 period compared to the corresponding period of 1997, and an increase in operating expenses related to a larger subscriber base. Ticker magazine incurred a negative contribution (before deducting G&A expenses) of \$165,577 for the nine months ended September 30, 1998, as compared to a negative contribution (before deducting G&A expenses) of \$458,373 in the corresponding period of 1997. This improvement for Ticker results primarily from a 90% increase in revenues offset in part by a 38% increase in operating expenses. G&A expenses increased for the year by 18% as compared to 1997.

Revenues

Revenues from continuing operations for the three and nine months ended September 30, 1998 were \$4,047,711 and \$11,663,214, respectively, a 10% and 9% increase from the corresponding periods of the previous fiscal year.

Advertising revenues for the three and nine months ended September 30, 1998 were \$2,915,518 and \$8,107,316, respectively, a 21% and 20% increase over the corresponding periods of 1997. Of this increase, the Company's online service, Individual Investor Online (www.iionline.com), generated \$307,204 and \$888,011 for the three and nine months ended September 30, 1998, respectively, compared to \$32,246 and \$37,246 for the same periods in 1997. Ticker advertising revenues for the three and nine months ended September 30, 1998 were \$651,748 and \$1,638,653, respectively, a 72% and 90% increase from the corresponding periods in 1997. This increase relates primarily to nine issues published in 1998 compared to seven in 1997, together with 20% circulation and rate increases effected in February 1998. Individual Investor advertising revenues for the three and nine months ended September 30, 1998 were \$1,957,121 and \$5,581,206, respectively, a 2% and 5% decrease from the corresponding period of 1997. As a result of the increase in paid circulation of Individual Investor, effective November 1997 the Company increased its advertising rates by 18%. However, total advertising pages for Individual Investor decreased by 41 and 90 total pages for the three and nine months ended September 30, 1998, respectively, reflecting the

fact that the sales department was in a period of transition. The Company went without a Publisher from July 1997 until April 1998 and also terminated its West Coast representative in May 1998 and replaced it with two in house representatives located in Los Angeles and San Francisco, respectively, in July 1998.

Circulation revenues for the three and nine months ended September 30, 1998 were \$835,715 and \$2,605,576, respectively, a 6% and 14% decrease when compared to the corresponding periods of the previous fiscal year. Individual Investor subscription revenues for the three and nine months ended September 30, 1998, were \$564,744 and \$1,788,910, respectively, a 1% increase and 3% decrease from the corresponding periods of 1997. Special Situations Report subscription revenues for the three and nine months ended September 30, 1998 were \$104,581 and \$301,979, respectively, a 41% and 55% decrease when compared to the corresponding periods of 1997. The decline in Special Situations Report subscription revenues results from a decrease in paid subscribers to 4,500 as of September 30, 1998, as compared to 9,100 as of September 30, 1997. The Company distributes Ticker free of charge by controlled distribution to financial service professionals, and does not currently impose a charge for use of its online service.

List rental and other revenues for the three and nine months ended September 30, 1998 were \$296,478 and \$950,322, respectively, a 20% and 1% decrease from the corresponding periods of the previous fiscal year. List rental revenues for the three and nine months ended September 30, 1998 was \$210,996 and \$600,521, respectively, a 23% and 18% decrease when compared to the corresponding periods of the previous fiscal year. The decrease in list rental revenue is primarily attributable to reduced demand and the decrease in the number of subscribers to Special Situations Report. Other revenues for the three and nine months ended September 30, 1998 were \$85,482 and \$349,801, respectively, a 10% decrease and 60% increase from the corresponding periods of the previous fiscal year. The year to date increase in other revenues is due primarily to an increase in the sale of reprints from Individual Investor and Ticker magazines and increased revenues generated from an affinity credit card agreement.

Operating Expenses

Total operating expenses from continuing operations for the three and nine months ended September 30, 1998 were \$5,441,053 and \$17,603,401 respectively, a 4% and 20% increase from the corresponding periods of the previous fiscal year.

Editorial, production and distribution expenses for the three and nine months ended September 30, 1998 were \$2,818,854 and \$8,687,742, respectively, a 13% and 28% increase from the same periods of the previous fiscal year. The increase in such expenses is primarily related to the continuing development, redesign, and ongoing maintenance of the Company's online service Individual Investor Online (www.iionline.com). The Company incurred online editorial and production costs totaling \$496,139 and \$1,566,805 for the three and nine months ended September 30, 1998, respectively, compared to \$278,158 and \$617,526 for the corresponding periods of the previous fiscal year. Production and distribution expenses relating to all three print publications for the three and nine months ended September 30, 1998 were \$1,506,614 and \$4,651,003, respectively, a 1% and 12% increase from the corresponding periods of 1997, primarily due to additional copies printed for a larger subscriber base in both Individual Investor and Ticker. Editorial costs for the three and nine months ended September 30, 1998 were \$572,202 and \$1,761,924, respectively, a 10% and 19% increase from the corresponding periods of the previous fiscal year. This was due mostly to an increase in staffing levels to aid the growth in the Company's print publications and its online service.

Promotion and selling expenses for the three and nine months ended September 30, 1998 were \$1,609,155 and \$4,857,883, respectively, a 6% and 11% increase from the corresponding periods of the previous fiscal year. This increase primarily is due to online advertising expenses of \$248,394 and \$763,529 for the three and nine months ended September 30, 1998, respectively, compared to \$10,348 of online advertising costs for the three and nine months ended September 30, 1997. Subscription promotion expenses for the three and nine months ended September 30, 1998 were \$479,207 and \$1,596,293, respectively, a 26% and 18% decrease from the corresponding periods of 1997. Advertising salaries, commissions and other related costs for the Company's three publications, for the three and nine months ended September 30, 1998, were \$802,755 and \$2,282,728, respectively, as compared to \$783,112 and \$2,211,135 for the same periods in 1997.

General and administrative expenses for the three and nine months ended September 30, 1998 were \$932,156 and \$3,825,309, respectively, as compared to \$1,110,066 and \$3,253,191 for the same periods in 1997. The decrease of 16% for the third quarter of 1998 as compared to the third quarter of 1997 relates primarily to less salaries paid (the Company's President and General Counsel were hired in September) and lower bad debt expenses compared to the corresponding periods of 1997. Substantially all of the year to date increase as compared to the prior year resulted from incremental expenses (severance, legal fees and executive search fees) incurred in the second quarter totaling approximately \$560,000 relating to changes in senior management personnel and key advertising sales personnel.

Depreciation and amortization expense for the three and nine months ended September 30, 1998, were \$80,888 and \$232,467 respectively, as compared to \$103,055 and \$235,652 for the same periods in 1997.

Interest and other income for the three and nine months ended September 30, 1998 were \$62,362 and \$106,025, respectively, compared to \$26,236 and \$57,426 for the same periods in 1997. These changes are primarily due to varying levels of cash invested by the Company.

Discontinued Operations

On April 30, 1998 the Company's Board of Directors decided to discontinue the Company's investment management services business. Accordingly, the operating results relating to investment management services have been segregated from continuing operations and reported as a separate line item on the statement of operations.

Net loss from discontinued operations for the three and nine months ended September 30, 1998 were \$145,291 and \$781,370 respectively, as compared to net income of \$1,473,224 and \$85,328 for the same periods in 1997. Loss on disposal of discontinued operations was \$145,291 and \$591,741 for the three and nine months ended September 30, 1998. Under generally accepted accounting principles, loss on disposal of discontinued operations includes actual losses from the date the Board resolved to discontinue the investment management services business, plus a provision for additional losses based on management's best estimate of the amount to be realized on dissolution of the fund.

Net loss from discontinued operations includes revenues from investment management services and net appreciation (depreciation) in fund. Investment management services are a combination of management fees, being 1 to 1-1/2 percent of assets under management, and a special profit allocation, being 20% of defined performance. Net appreciation (depreciation) in fund relates to the

realized and unrealized earnings of the amount invested by the Company in the domestic fund's portfolio which, because of the nature of the investments, will vary significantly from period to period and may result in losses as well as income. As of September 30, 1998 the value of the Company's investment in the domestic fund was \$816,580. As a result of the Board's decision, WTCM is dissolving the domestic and offshore investment funds, liquidating fund investments and distributing the net assets to all investors as promptly as possible. In July 1998 the Company received \$2,293,799 of its investment, including cash of \$1,443,997 and securities of \$849,822 (valued as of June 30, 1998). In October 1998 the Company received an additional \$524,432 in cash from the fund. No assurance can be given that the Company will realize any further amounts with respect to its investment the domestic fund.

Net Loss

The Company's net loss for the three and nine months ended September 30, 1998 was \$1,476,271 and \$6,615,532, respectively, as compared to a net loss of \$34,507 and \$3,769,195 for the corresponding periods in 1997. No income taxes were provided in 1998 or 1997 due to the net loss. The basic and dilutive net loss per weighted average common share for the three and nine months ended September 30, 1998 were (\$0.17) and (\$0.86), respectively, as compared to (\$0.01) and (\$0.59) for the corresponding periods in 1997.

Liquidity and Capital Resources

As of September 30, 1998, the Company had working capital of \$5,526,409 including cash and cash equivalents totaling \$4,657,987. As of September 30, 1998 the fair market value of the Company's investment in the discontinued operations was \$816,580, which may be available, subject to market fluctuations and liquidity, to fund the Company's operations as the domestic fund is liquidated and its assets are distributed to its partners. In July 1998 the Company received \$2,293,799 of its investment, including cash of \$1,443,997 and securities of \$849,822 (valued as of June 30, 1998). In October 1998 the Company received an additional \$524,432 in cash from the fund. No assurance can be given that the Company will realize any further amount with respect to its investment upon final liquidation of the fund. Moreover, the securities received by the Company in July 1998 suffered a material decline in value between June 30, 1998 and September 30, 1998, and subsequently through the date of this Report. There can be no assurance that such securities will not suffer further material declines in value that may have a material adverse affect on the Company's financial performance.

On June 26, 1998 the Company entered into a Stock Purchase Agreement with Wise Partners, L.P. providing for the sale of 1,259,842 shares of Common Stock for an aggregate purchase price of \$5,000,000, which was based on the closing "ask" price of the common stock on June 25, 1998. Wise Partners, L.P. is a limited partnership of which the Chief Executive Officer of the Company, Jonathan L. Steinberg, is the General Partner. In addition, during the first nine months of 1998 the Company received \$398,152 from exercises of stock options.

Management expects revenues to grow for the remainder of 1998 and in 1999 as the Company begins to implement changes made by a new management team, including a new President hired in September 1998 and a new Publisher hired in April 1998. Advertising sales are expected to increase for Individual Investor and Ticker magazines due to the addition of new key sales personnel and the effect of the increased awareness in the marketplace for both magazines begins to take effect. Additionally, the Company expects to realize higher revenues from operations of its online service Individual Investor Online (www.iionline.com). There can be no assurance, however, that such growth will be realized.

The Company incurred a net loss of \$1,476,271 and \$6,615,532 for the three and nine months ended September 30, 1998, respectively. The Company's current levels of revenues are not sufficient to cover its expenses. Under its current business plan, during the remainder of 1998 and for the year 1999, the Company intends to control and reduce several of its expenses while continuing to invest in its existing products. The Company anticipates losses to continue through 1999. Profitability may be achieved in future periods only if the Company can substantially increase its revenues while controlling increases in expenses. There can be no assurance that revenues will be substantially increased, or that the increases in expenses can be controlled adequately to enable the Company to attain profitability.

The Company plans to continue investing in its online service Individual Investor Online (www.iionline.com), because it believes that this line of business offers the greatest opportunity for generating substantial revenues over the longer term. There can be no assurance, however, that the online business in fact will generate substantial revenues, as the Company faces many competitors in the business. No assurance can be given that advertising revenues for Individual Investor and Ticker will increase because higher advertising rates may not be accepted by advertisers, advertising pages may continue to decline for Individual Investor, circulation may drop at either or both Individual Investor and Ticker, and the advertising mix may change. Although the Company has recently added key advertising sales personnel and has hired a new publisher, no assurance can be given that these changes will result in advertising revenue increases. The Company also believes that a further stock market correction or "bear" market would affect its ability to sell advertising to the financial advertiser categories. The Company expects that the lease expenses it will incur in connection with its anticipated relocation to new space in early 1999 will be at a significantly higher rate per square foot and that the Company will incur significant costs related to the relocation.

Based on the Company's business plan, the Company believes that its working capital and its investments will be sufficient to fund its operations and capital requirements through 1998. Thereafter, if revenues have not been significantly increased above current and expected levels, the Company will need to raise additional capital in order to sustain operations. The Company is currently exploring its ability to obtain additional financing. No assurance can be given as to the availability of additional financing or, if available, the terms upon which it may be obtained. Any such additional financing may result in dilution of an investor's equity investment in the Company. Failure to obtain additional financing on favorable terms, or at all, will have a substantial

In August 1997 the Company retained the investment banking firm of Bear, Stearns & Co. Inc. ("Bear Stearns") to assist the Company in exploring strategic initiatives to enhance shareholder value, the process for which is continuing. With the assistance of Bear Stearns since the time of such retention, the Company has focused on various alternatives including identifying, evaluating, and approaching potential strategic partners seeking investment positions in the Company's financial information services business.

Year 2000

The Company has evaluated the potential impact of the situation commonly referred to as the "Year 2000 Issue". The Year 2000 Issue concerns the inability of information systems, whether due to computer hardware or software, to properly recognize and process date sensitive information relating to the year 2000 and beyond. Many of the world's computer systems currently record years in

a two-digit format. Such computer systems may be unable to properly interpret dates beyond the year 1999, which could lead to business disruptions in the U.S. and internationally. The potential costs and uncertainties associated with the Year 2000 Issue will depend on a number of factors, including software, hardware and the nature of the industry in which a company operates. The Year 2000 Issue could have a material adverse effect on the Company's results of operations and ability to conduct business.

To attempt to ensure that the Company's computer systems (including computer hardware and computer software) are "Year 2000 Ready" (that is, are not disrupted by the Year 2000 Issue), the Company developed a plan to assess, and remediate where necessary, any Year 2000 Issue with respect to the Company's computer systems, and appointed certain employees to administer such plan. The plan contains four phases: first, identifying all computer hardware and software being used by the Company; second, determining whether such hardware and software is Year 2000 Ready; third, remediating any Year 2000 Issue with respect to any particular piece of hardware or software; and fourth, performing a final audit and test. The Company has made significant progress toward completing the first two phases, and currently expects to complete these phases before January 1999. The Company has made significant progress toward completing phase three with respect to software issues, and currently expects to complete phase three, with respect to both software and hardware, before April 1999. The Company intends to commence phase four upon the completion of the first three phases, and currently expects to complete phase four before October 1999.

The Company currently believes that additional direct costs associated with making the Company's systems Year 2000 Ready should not exceed \$30,000 and that such costs, together with any lost revenue associated with making the Company's systems Year 2000 Ready, should not have a material adverse effect on the Company's operating results or financial condition. The Company does not believe that the diversion of employee resources required to address the Year 2000 Issue would have a material effect on the Company's operating results or financial condition. The Company does not currently have in place a contingency plan of action in the event that it is not able to make its computer systems Year 2000 Ready, but will consider on an ongoing basis whether such a contingency plan should be developed.

The dates on which the Company believes it will complete its Year 2000 readiness phases, and the costs associated with such efforts, are based on the Company's current best estimates. However, there can be no guarantee that these estimates will be achieved, or that there will not be a delay in, or increased costs associated with, making the Company's systems Year 2000 Ready. Specific factors that might cause differences between the estimates and actual results include, but are not limited to, the availability and cost of personnel trained in these areas, the ability to locate and correct all relevant computer code and hardware devices (such as microcontrollers), timely responses to and corrections by third-parties and suppliers, the ability to implement interfaces between the new systems and the systems not being replaced, and similar uncertainties. Due to the general uncertainty inherent in the Year 2000 problem, resulting in part from the uncertainty of the Year 2000 readiness of third-parties and the interconnection of global businesses, the Company cannot ensure its ability to timely and cost-effectively resolve problems associated with the Year 2000 Issue, and a failure to do so could materially adversely affect the Company's operations and business, and expose it to third-party liability.

The Company also faces risks and uncertainties to the extent that the third party suppliers of products, services and systems on which the Company relies do not have business systems or products that are Year 2000 Ready. The Company has initiated communications with all of its significant suppliers and

customers to determine the extent to which the Company's systems and products are vulnerable to those third parties' failure to remediate their own systems' Year 2000 Issues. There is no guarantee that the systems or products of other companies on which the Company relies will be timely, if at all, made Year 2000 Ready, and such a failure by such other companies could have a material adverse effect on the Company's systems and products. The Company is in the process of identifying what actions may be needed to mitigate vulnerability to problems related to enterprises with which the Company interacts, but does not currently have in place a contingency plan of action in the event that the failure by one or more third parties to make their computer systems Year 2000 Ready causes adverse effects to be suffered by the Company. The Company will consider on an ongoing basis whether such a contingency plan should be developed.

INDIVIDUAL INVESTOR GROUP, INC. AND SUBSIDIARIES

PART II- OTHER INFORMATION

ITEM 2 - Sales of Unregistered Securities

Date of sale	Title of security	Number Sold	Consideration received and description of underwriting or other discounts to market price afforded to purchasers	Exemption from registration claimed	If option, warrant or convertible security, terms of exercise or conversion
7/98 -9/98	Options to purchase common stock granted to employees, directors and consultants	563,000	options granted - no consideration received by Company until exercise	Section 4(2)	vesting over a period of three to five years from date of grant, subject to certain conditions of continued service; exercisable for a period lasting ten years from date of grant at an exercise prices ranging from \$1.1875 to \$3.50

ITEM 5 - Other Information

As previously reported, in July 1997 certain former limited partners of WisdomTree Associates, L.P. (the "Fund"), the domestic private investment fund managed by a subsidiary of the Company (which fund is treated as a discontinued operation as described elsewhere in this Report), initiated an action in the Supreme Court of the State of New York, County of New York, captioned Richard Tarlow and Sandra Tarlow v. WisdomTree Associates, L.P., Bob Schmidt and Jonathan Steinberg, Index No. 113819/97. Defendants moved to dismiss the action based on plaintiffs' failure to file a complaint, and the action was dismissed without prejudice in October 1997. In October 1998, plaintiffs served notice of motion to vacate the default judgment. Plaintiffs allege that defendants did not timely process plaintiffs request for redemption of their interest in the Fund, which delay allegedly caused plaintiffs to suffer approximately \$470,000 in damages. The Company is currently evaluating this matter, and intends to take vigorous action to defend itself. Due to the inherent uncertainty of litigation, the Company is not able to reasonably estimate the potential losses, if any, that may be incurred in relation to this litigation.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

Exhibit	Description	Method of Filing
3.1	Amended and Restated Certificate of Incorporation of Registrant dated August 19, 1991	Filed herewith
3.2	Certificate of Amendment of Amended and Restated Certificate of Incorporation of Registrant dated May 26, 1993	Filed herewith
3.3	Certificate of Amendment of Amended and Restated Certificate of Incorporation of Registrant dated June 18, 1997	Incorporated by reference to Registrant's Form 10-QSB for the quarter ended June 30, 1997.
3.4	Amended and Restated Certificate of Incorporation of Registrant, as amended through June 18, 1997	Filed herewith
3.5	Bylaws of Registrant	Incorporated by reference to Exhibit 3.2 to the Registrant's Registration Statement on Form S-18 (File No. 33-43551-NY) (the form "S-18")
4.1	Specimen Certificate for Common Stock of Registrant	Incorporated by reference to Exhibit 4.1 to the Form S-18
10.1	Employment Agreement between Registrant and Brette Popper dated September 14, 1998	Filed herewith
10.2	Stock Option Agreement between Registrant and Brette Popper dated September 14, 1998	Filed herewith
10.3	Employment Agreement between Registrant and Gregory Barton dated July 21, 1998	Filed herewith
10.4	Stock Option Agreement between Registrant and Gregory Barton dated September 14, 1998	Filed herewith
10.5	Indemnification Agreement between Registrant and Brette Popper dated September 14, 1998	Filed herewith
10.6	Indemnification Agreement between Registrant and Gregory Barton dated September 14, 1998	Filed herewith
27	Financial Data Schedule September 30, 1998	Filed only with the electronic submission of Form 10-Q in accordance with the EDGAR requirement

(b) The Company did not file any reports on Form 8-K for the Quarter Ended September 30, 1998

SIGNATURES

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

DATE: November 12, 1998

INDIVIDUAL INVESTOR GROUP, INC. (Registrant)

By: /s/ Jonathan L. Steinberg
Jonathan Steinberg, Chief Executive Officer

By: /s/ Henry G. Clark
Henry G. Clark, Vice President Finance
(Principal Financial and Accounting Officer)

EXHIBIT INDEX

Exhibit No.	Description	Page
3.1	Amended and Restated Certificate of Incorporation of Registrant dated August 19, 1991	20 - 27
3.2	Certificate of Amendment of Amended and Restated Certificate of Incorporation of Registrant dated May 26, 1993	28 - 29
3.4	Amended and Restated Certificate of Incorporation of Registrant, as amended through June 18, 1997	30 - 36
10.1	Employment Agreement with Brette Popper dated September 11, 1998	37 - 47
10.2	Stock Option Agreement with Brette Popper dated September 14, 1998	48 - 59
10.3	Employment Agreement with Gregory Barton dated July 21, 1998	60 - 61
10.4	Stock Option Agreement with Gregory Barton dated September 14, 1998	62 - 70
10.5	Indemnification Agreement with Brette Popper dated September 14, 1998	71 - 80
10.6	Indemnification Agreement with Gregory Barton dated September 14, 1998	81 - 90
27	Financial Data Schedule September 30, 1998	91

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
FINANCIAL DATA SYSTEMS, INC.

FINANCIAL DATA SYSTEMS, INC. (the "Corporation"), a corporation whose Certificate of Incorporation originally was filed with the Secretary of State on September 19, 1985 and which is organized and existing under and by virtue of the General Corporation Law of the State of Delaware, does hereby certify:

FIRST: That this Amended and Restated Certificate of Incorporation restates and further amends the provisions of the Certificate of Incorporation of the Corporation, as heretofore amended or supplemented, in accordance with the applicable provisions of Sections 242 and 245 of the General Corporation Law of Delaware.

SECOND: That the Board of Directors of the Corporation, by Unanimous Written Consent dated August 19, 1991, in accordance with the applicable provisions of Sections 141(f), 242, and 245 of the General Corporation Law of Delaware, and the holder of a majority of the issued and outstanding Common Stock, par value \$.10 per share, of the Corporation, by Written Consent dated August 19, 1991, in accordance with the applicable provisions of Sections 228, 242, and 245 of the General Corporation Law of Delaware, duly adopted resolutions restating and further amending the Certificate of Incorporation of the Corporation as set forth below.

THIRD: That this restatement and amendment shall be effective upon filing.

FOURTH: That the text of the Certificate of Incorporation of the Corporation, as heretofore amended or supplemented, is hereby restated and further amended to read in its entirety as follows:

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ARTICLE I

The name of the Corporation is Financial Data Systems, Inc.

ARTICLE II

The address of the Corporation's registered office in the State of Delaware is The Corporation Trust Company, 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

ARTICLE III

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

ARTICLE IV

The total number of shares of all classes of stock that the Corporation shall have authority to issue is twelve million (12,000,000) shares, of which ten million (10,000,000) shares shall be shares of Common Stock, with a par value of one cent (\$.01) per share, and two million (2,000,000) shares shall be shares of Preferred Stock, with a par value of one cent (\$.01) per share.

The Board of Directors of the Corporation hereby expressly is granted authority to authorize, in accordance with Section 151(a) of the General Corporation Law of the State of Delaware, from time to time the issuance of one or more series of Preferred Stock and with respect to any such series to fix by resolution or resolutions the numbers, powers, designations, preferences, and relative, participating, optional, or other special rights of such series, and the qualifications, limitations, or restrictions thereof, including but without limiting the generality of the foregoing, the following:

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(1) entitling the holders thereof to cumulative, non-cumulative, or partially cumulative dividends, or to no dividends;

(2) entitling the holders thereof to receive dividends payable on a parity with, junior to, or in preference to, the dividends payable on any other class or series of capital stock of the Corporation;

(3) entitling the holders thereof to rights upon the liquidation of, or upon any distribution of the assets of, the Corporation, on a parity with, junior to, or in preference to, the rights of any other class or series of capital stock of the Corporation;

(4) providing for the conversion, at the option of the holder or of the Corporation or both, of the shares of Preferred Stock into shares of any other class or classes of capital stock of the Corporation or any series of the same or any other class or classes or into property of the Corporation or into the securities or properties of any other corporation or person, or providing for no conversion;

(5) providing for the redemption, as a whole or in part, of the shares of Preferred Stock at the option of the Corporation, in cash, bonds, or other property, at such price or prices, within such period or periods, and under such conditions as the Board of Directors shall so provide, including provision for the creation of a sinking fund for the redemption thereof, or providing for no redemption; and

(6) providing for the lack of voting rights or limited voting rights or enjoying general, special, or multiple voting rights.

ARTICLE V

The following provisions are inserted for the management of the business and the conduct of the affairs of the Corporation and for further definition, limitation, and regulation of the powers of the Corporation and of its directors and stockholders:

(1) The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors;

(2) The directors shall have concurrent power with the stockholders to make, alter, amend, change, add to, or repeal the Bylaws of the Corporation;

(3) The number of directors of the Corporation shall be as from time to time fixed by the Bylaws of the Corporation;

(4) In addition to the powers and authority expressly conferred upon them herein or by statute, the directors hereby are empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, subject, nevertheless, to the provisions of the General Corporation Law of Delaware, this Amended and Restated Certificate of Incorporation, and any Bylaws adopted by the stockholders; provided, however, that no Bylaws hereafter adopted by the stockholders shall invalidate any prior act of the directors which would have been valid if such Bylaws had not been adopted.

ARTICLE VI

The number of directors to constitute the whole Board of Directors shall be such number as shall be set forth in the Bylaws and as shall be fixed from time to time by resolution of the Board of Directors or by the stockholders of the Corporation. The Board of Directors shall be divided into three classes as nearly equal in number as may be, with the term of office of one class expiring each year. At each annual meeting of the stockholders, successors to the directors whose terms shall then expire shall be elected to hold office for terms expiring at the third succeeding annual meeting of stockholders. In case of any vacancies, by reason of an increase in the number of directors or otherwise, each additional director may be elected by the Board of Directors until the end of the term he is elected to fill and until his successor shall be

elected and qualified in the class to which such director is assigned and for the term or remainder of the term of such class. Directors shall continue in office until others are chosen and qualified in their stead. When the number of directors is changed, any newly created directorships or any decrease in directorships shall be so assigned among the classes by a majority of the directors then in office, though less than a quorum, as to make all classes as nearly equal in number as may be feasible. No decrease in the number of directors shall shorten the term of any incumbent director.

Notwithstanding the foregoing, whenever the holders of any one or more series of Preferred Stock issued by the Corporation shall have the right, voting separately by class or series, to elect directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies, and other features of such directorships shall be governed by the terms of this Certificate of Incorporation applicable thereto, and such directors selected shall not be divided into classes pursuant to this Article VI unless expressly provided by such terms.

ARTICLE VII

No director shall be personally liable to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty by such director as a director, pursuant to Section 102 (b) (7) of the General Corporation Law of Delaware. Notwithstanding the foregoing sentence, a director shall be liable to the extent provided by applicable law (1) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (3) pursuant to Section 174 of the General Corporation Law of Delaware, or (4) for any transaction from which the director derived an improper personal benefit. No amendment to or repeal of this Article VII shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment.

ARTICLE VIII

The Corporation, to the fullest extent permitted by Section 145 of the general Corporation Law of Delaware, as the same may be amended and supplemented from time to time, or by any successor thereto, shall indemnify any and all persons whom it shall have power to indemnify under such Section from and against any and all of the expenses, liabilities, and other matters referred to in or covered by such Section, and, to the fullest extent permitted by such Section, shall advance expenses incurred by such persons in defending civil or criminal actions, suits, and proceedings. The indemnification and advancement of expenses provided for herein shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors, or otherwise. Such indemnification and advancement of expenses shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person.

ARTICLE IX

Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws may provide. The books of the Corporation may be kept (subject to any provision contained in the General Corporation Law of Delaware) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

ARTICLE X

Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this Corporation under the provisions of Section 291 of the General Corporation Law of Delaware or on the application of trustees in dissolution or of any receiver or receivers appointed for this Corporation under the provisions of the General Corporation Law of Delaware, order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be,

to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders of this Corporation, as the case may be, and also on this Corporation.

ARTICLE XI

The Corporation reserves the right to amend, alter, change, or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

ARTICLE XII

The amount of the authorized stock of the Corporation of any class or classes may be increased or decreased by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote.

ARTICLE XIII

Elections of directors need not be by ballot unless the Bylaws of the Corporation shall so provide.

IN WITNESS WHEREOF, the Corporation has caused this Amended and Restated Certificate of Incorporation to be signed by its President and attested by its Secretary this 19th day of August, 1991.

/s/ Jonathan Steinberg
By: Jonathan Steinberg
Title: President

Attest:
/s/ Scot Rosenblum
By: Scot Rosenblum
Title: Secretary

CERTIFICATE OF AMENDMENT
OF THE
AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
FINANCIAL DATA SYSTEMS, INC.

Adopted in accordance with the provisions of Section 242 of the
General Corporation Law of the State of Delaware

The undersigned, being the President and Secretary, respectively, of
Financial Data Systems, Inc., a Delaware Corporation ("Corporation"), do hereby
certify as follows:

FIRST, that the Amended and Restated Certificate of Incorporation of the
Corporation has been amended by striking out Article FIRST and substituting in
lieu thereof the following:

FIRST. The name of the Corporation is
"INDIVIDUAL INVESTOR GROUP, INC."

SECOND, that such amendment to the Amended and Restated Certificate of
Incorporation was duly adopted in accordance with the provisions of Section 242
of the General Corporation Law of the State of Delaware by the affirmative vote
of the holders of a majority of the outstanding shares of the Corporation
entitled to vote thereon at a meeting of stockholders.

THIRD, that such amendment shall take effect on the first day of June,
1993.

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IN WITNESS WHEREOF, the Corporation has caused this certificate to be
signed by Jonathan L. Steinberg, its President and attested to by Scot A.
Rosenblum, its Secretary, this 26th day of May, 1993.

FINANCIAL DATA SYSTEMS, INC.

By: /s/ Jonathan Steinberg
Jonathan L. Steinberg,
President, Treasurer
and Chairman

ATTEST:

/s/ Scot Rosenblum
Scot A. Rosenblum,
Secretary

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AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
INDIVIDUAL INVESTOR GROUP, INC.
(as amended through June 18, 1997)

ARTICLE I

The name of the Corporation is "INDIVIDUAL INVESTOR GROUP, INC."

ARTICLE II

The address of the Corporation's registered office in the State of Delaware is The Corporation Trust Company, 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

ARTICLE II

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

ARTICLE IV

The total number of shares of all classes of stock that the Corporation shall have authority to issue is twenty million (20,000,000) shares, of which eighteen million (18,000,000) shares shall be shares of Common Stock, with a par value of one cent (\$.01) per share, and two million (2,000,000) shares shall be shares of Preferred Stock, with a par value of one cent (\$.01) per share.

The Board of Directors of the Corporation hereby expressly is granted authority to authorize, in accordance with Section 151(a) of the General Corporation Law of the State of Delaware, from time to time the issuance of one or more series of Preferred Stock and with respect to any such series to fix by

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resolution or resolutions the numbers, powers, designations, preferences, and relative, participating, optional, or other special rights of such series, and the qualifications, limitations, or restrictions thereof, including but without limiting the generality of the foregoing, the following:

(1) entitling the holders thereof to cumulative, non-cumulative, or partially cumulative dividends, or to no dividends;

(2) entitling the holders thereof to receive dividends payable on a parity with, junior to, or in preference to, the dividends payable on any other class or series of capital stock of the Corporation;

(3) entitling the holders thereof to rights upon the liquidation of, or upon any distribution of the assets of, the Corporation, on a parity with, junior to, or in preference to, the rights of any other class or series of capital stock of the Corporation;

(4) providing for the conversion, at the option of the holder or of the Corporation or both, of the shares of Preferred Stock into shares of any other class or classes of capital stock of the Corporation or any series of the same or any other class or classes or into property of the Corporation or into the securities or properties of any other corporation or person, or providing for no conversion;

(5) providing for the redemption, as a whole or in part, of the shares of Preferred Stock at the option of the Corporation, in cash, bonds, or other property, at such price or prices, within such period or periods, and under such conditions as the Board of Directors shall so provide, including provision for the creation of a sinking fund for the redemption thereof, or providing for no redemption; and

(6) providing for the lack of voting rights or limited voting rights or enjoying general, special, or multiple voting rights.

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ARTICLE V

The following provisions are inserted for the management of the business and the conduct of the affairs of the Corporation and for further definition, limitation, and regulation of the powers of the Corporation and of its directors and stockholders:

(1) The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors;

(2) The directors shall have concurrent power with the stockholders to make, alter, amend, change, add to, or repeal the Bylaws of the Corporation;

(3) The number of directors of the Corporation shall be as from time to time fixed by the Bylaws of the Corporation;

(4) In addition to the powers and authority expressly conferred upon them herein or by statute, the directors hereby are empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, subject, nevertheless, to the provisions of the General Corporation Law of Delaware, this Amended and Restated Certificate of Incorporation, and any Bylaws adopted by the stockholders; provided, however, that no Bylaws hereafter adopted by the stockholders shall invalidate any prior act of the directors which would have been valid if such Bylaws had not been adopted.

ARTICLE VI

The number of directors to constitute the whole Board of Directors shall be such number as shall be set forth in the Bylaws and as shall be fixed from time to time by resolution of the Board of Directors or by the stockholders of the Corporation. The Board of Directors shall be divided into three classes as nearly equal in number as may be, with the term of office of one class expiring each year. At each annual meeting of the stockholders, successors to the directors whose terms shall then expire shall be elected to hold office for terms expiring at the third succeeding annual meeting of stockholders. In case

of any vacancies, by reason of an increase in the number of directors or otherwise, each additional director may be elected by the Board of Directors until the end of the term he is elected to fill and until his successor shall be elected and qualified in the class to which such director is assigned and for the term or remainder of the term of such class. Directors shall continue in office until others are chosen and qualified in their stead. When the number of directors is changed, any newly created directorships or any decrease in directorships shall be so assigned among the classes by a majority of the directors then in office, though less than a quorum, as to make all classes as nearly equal in number as may be feasible. No decrease in the number of directors shall shorten the term of any incumbent director.

Notwithstanding the foregoing, whenever the holders of any one or more series of Preferred Stock issued by the Corporation shall have the right, voting separately by class or series, to elect directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies, and other features of such directorships shall be governed by the terms of this Certificate of Incorporation applicable thereto, and such directors selected shall not be divided into classes pursuant to this Article VI unless expressly provided by such terms.

ARTICLE VII

No director shall be personally liable to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty by such director as a director, pursuant to Section 102 (b) (7) of the General Corporation Law of Delaware. Notwithstanding the foregoing sentence, a director shall be liable to the extent provided by applicable law (1) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (3) pursuant to Section 174 of the General Corporation Law of Delaware, or (4) for any transaction from which the director derived an

improper personal benefit. No amendment to or repeal of this Article VII shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment.

ARTICLE VIII

The Corporation, to the fullest extent permitted by Section 145 of the general Corporation Law of Delaware, as the same may be amended and supplemented from time to time, or by any successor thereto, shall indemnify any and all persons whom it shall have power to indemnify under such Section from and against any and all of the expenses, liabilities, and other matters referred to in or covered by such Section, and, to the fullest extent permitted by such Section, shall advance expenses incurred by such persons in defending civil or criminal actions, suits, and proceedings. The indemnification and advancement of expenses provided for herein shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors, or otherwise. Such indemnification and advancement of expenses shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person.

ARTICLE IX

Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws may provide. The books of the Corporation may be kept (subject to any provision contained in the General Corporation Law of Delaware) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

ARTICLE X

Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this Corporation under the provisions of Section 291 of the General Corporation Law of Delaware or on the application of trustees in dissolution or of any receiver or receivers appointed for this Corporation under the provisions of the General Corporation Law of Delaware, order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders of this Corporation, as the case may be, and also on this Corporation.

ARTICLE XI

The Corporation reserves the right to amend, alter, change, or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

ARTICLE XII

The amount of the authorized stock of the Corporation of any class or classes may be increased or decreased by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote.

ARTICLE XIII

Elections of directors need not be by ballot unless the Bylaws of the Corporation shall so provide.

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT dated as of September 11, 1998 between Individual Investor Group, Inc., a Delaware corporation with offices at 1633 Broadway, New York, New York 10019 ("Company"), and Brette Popper, residing at 522 West End Avenue, Apartment 15A, New York, New York 10024 ("Executive").

W I T N E S S E T H:

WHEREAS, Company desires to employ the Executive and Executive desires to be employed by Company upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

1. Employment and Duties. (a) Company hereby agrees to employ Executive and Executive hereby agrees to be employed by the Company and to serve as the President and Chief Operating Officer of the Company. The Executive's shall supervise the day-to-day operation of the Company's business and shall have such other executive duties and responsibilities consistent with that position and assigned to Executive by the Chairman and Chief Executive Officer of the Company from time to time. Executive shall be subordinate to the Chief Executive Officer of the Company and shall report to the Chief Executive Officer. Executive shall use Executive's best efforts to promote the interests of the Company and devote Executive's full business time, attention and skill to the business and affairs of the Company.

(b) The Chief Executive Officer of the Company will assess Executive's performance and contribution to achieving the business goals of the Company as established from time to time by the Board of Directors and, as a result of such assessment, after completion of one year of employment hereunder, will consider and recommend to the Board of Directors whether Executive should be nominated to become a member thereof.

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2. Term of Employment. The term of Executive's employment hereunder ("Term") shall commence on September 14, 1998 (the "Effective Date") and shall continue until December 31, 1999 unless terminated earlier as hereinafter provided in this Agreement, or unless extended by mutual agreement of the Company and Executive. Pending any negotiations for renewal of this Agreement beyond the Term, if Executive continues to be employed by the Company, her compensation hereunder shall be continued while she remains employed.

3. Compensation.

(a) Salary. In consideration for all the services to be performed under this Agreement, the Company shall pay Executive a base salary, in equal installments no less frequently than semi-monthly, at the rate of \$225,000 per year during the Term.

(b) Bonuses. The Company will pay Executive a bonus equal to Executive's base salary in respect of the first fiscal year during the Term of this Agreement for which the Company reports a pre-tax income of \$1.00 or greater, after deduction for the bonuses payable to employees (other than the Chairman and Chief Executive Officer) with respect to such fiscal year, including the bonus to Executive provided herein. The bonus will be determined by reference to the audited, consolidated financial statements of the Company, prepared in accordance with generally accepted accounting principles, consistently applied. The bonus will be paid not later than the filing date of the Form 10-K for the fiscal year in which the bonus is earned. The bonus will be deemed earned and payable as of the last day of the fiscal year provided Executive is employed by the Company as of such date, even if Executive is not employed by the Company after that date. The Executive and the Company shall mutually determine the amounts of bonuses to be paid to Executive in subsequent fiscal years and the performance targets upon which such bonuses will be paid.

(c) Expenses. The Company shall reimburse Executive for all reasonable and necessary expenses incurred in the execution of Executive's duties hereunder upon Executive's submission to the Company of invoices, receipts and other documentation evidencing such expenses in accordance with the Company's policies and procedures.

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(d) Vacation. Executive shall be entitled to four weeks of paid vacation per annum during the Term. Such vacation may be taken by Executive at such times as generally do not interfere with the business of the Company and as approved by the Company's Chief Executive Officer. Annual vacation time shall not cumulate from year to year.

(e) Other Executive Benefits. Executive shall be entitled to participate, on the same basis and subject to the same qualifications as other employees of the Company, in any medical or disability insurance, sick leave, holiday, pension-401(K) and other related benefit plans and policies in effect with respect to senior management personnel of Company.

(f) Stock Options. On the Effective Date the Company will enter into a stock option agreement in the form of the agreement attached hereto as Exhibit A pursuant to which Executive will have the right to purchase up to 250,000 shares of Common Stock exercisable at a price equal to the last sale price of a share of Common Stock on the trading day immediately preceding the Effective Date.

4. Travel. Executive shall undertake all reasonable travel required by Company in connection with the performance of Executive's duties hereunder.

5. Non-Competition; Protection of Confidential Information; Intellectual Property; and Corporate Opportunities .

(a) Executive agrees that Executive's services hereunder are of a special, unique and extraordinary character, and that Executive's position with the Company places her in a position of confidence and trust. Executive further acknowledges that in the course of rendering services to the Company, Executive will obtain knowledge of confidential information and trade secrets of the Company. Accordingly, Executive agrees that during the Term and for a one (1) year period thereafter, Executive shall not directly or indirectly:

(i) in any geographic area where the Company conducts business, engage or participate in, directly or indirectly (whether as an officer, director, employee, partner, consultant, holder of an equity or debt investment, lender, or in any other manner or capacity), any publishing business which is, or as a result of Executive's engagement or participation would become, competitive with the financial publishing business in which the Company is engaged at that time,

(ii) deal, directly or indirectly, in any manner with any customers doing business with the Company (except in connection with the performance of the duties and obligations of Executive during the Term of Employment) in soliciting business for an entity which publishes any publication substantially similar to the publications published by the Company,

(iii) solicit, directly or indirectly, any officer, director, employee, or agent of the Company to become an officer, director, employee, or agent of Employee or anyone else,

(iv) engage or participate in, directly or indirectly, any business conducted under any name that shall be the same as or similar to the name of the Company or any trade name used by it, o

(v) disparage the reputation of the Company or its publications.

Ownership, in the aggregate, of less than 1% of the outstanding shares of capital stock of any corporation with revenues in excess of \$100,000,000 and one or more classes of its capital stock listed on a national securities exchange or publicly-traded in the over-the-counter market shall not constitute a violation of the foregoing provision. In addition, the Company agrees that Executive's role as a shareholder, officer and/or director of Swaps Monitor Publications, Inc. (a publisher of financial information whose focus is other than providing investment information tailored to the individual investor) is not and shall not be considered to be in violation of any provision of this Section 5(a).

(b) Executive also agrees that either during the Term or at any other time thereafter, Executive shall not divulge, furnish, or make accessible to anyone (other than in the regular course of business of the Company) any knowledge or information with respect to confidential or secret processes, inventions, discoveries, improvements, formulae, plans, material, devices, ideas, or other know-how, whether intellectual property or not, with respect to any confidential or secret engineering, development, or research work or with respect to any other confidential or secret aspects of the Company's business (including, without limitation, customer lists, subscription lists, supplier lists, and pricing arrangements with customers, subscribers, advertisers or suppliers). Executive further agrees that during the Term or at any other time thereafter, Executive shall not make use of, nor permit to be used, any confidential notes, memoranda, specifications, programs, data, information or other materials of any nature whether oral or written relating to any matter within the scope of the business of the Company or concerning any of its dealings or affairs otherwise than for the benefit of the Company, it being agreed that any of the foregoing shall be and remain the sole and exclusive property of the Company and that immediately upon the termination of Executive's employment, Executive shall deliver any or all copies of the foregoing to the Company.

(c) During the Term, Executive shall disclose to the Company all ideas, marketing concepts, slogans, advertising campaigns, characters, proposals and plans invented or developed by Executive which relate directly or indirectly to the business of the Company or arise out of Executive's employment with the Company or the use of the Company's property or resources including, without limitation, any ideas, proposals and plans which may be copyrighted, trademarked, patented or otherwise protected (collectively, "Intellectual Property"). Executive agrees that all such Intellectual Property are and will be the property of the Company. Executive expressly understands and agrees that any and all Intellectual Property constitute a "work for hire" under the U.S. Copyright Law. In the

event any Intellectual Property is not regarded as a "work for hire," Executive hereby assigns to the Company the sole and exclusive right to Intellectual Property. Executive agrees that Executive will promptly disclose to the Company any and all Intellectual Property, and that, upon request of the Company, Executive will execute and deliver any and all documents or instruments and take any other action which the Company shall deem necessary to assign to and vest completely in the Company, to perfect trademark, copyright and patent protection with respect to, or to otherwise protect the Company's trade secrets and proprietary interest in the Intellectual Property. Upon disclosure of any Intellectual Property to the Company, during the Term and at any time thereafter, Executive will, at the request and expense of the Company, sign, execute, make and do all such deeds, documents, acts and things as the Company and its duly authorized agents may reasonably require: (i) to apply for, obtain and vest in the name of the Company alone (unless the Company otherwise directs) trademarks, copyrights or other analogous protection in any country throughout the world and when so obtained or vested to renew and restore the same; and (ii) to defend any opposition proceedings in respect of such applications and any opposition proceedings or petitions or applications for revocation of such trademarks, copyrights, patents or other analogous protection. In the event the Company does not, within five (5) days, execute and deliver such documents reasonably necessary to vest in the Company all right, title and interest in such Intellectual Property, Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Executive's agent and attorney-in-fact, to act for and in Executive's behalf and stead to execute and file any such application or applications and to do all other lawfully permitted acts to further the prosecution and issuance of trademarks, copyright or this analogous protection thereon with the same legal force and effect as if executed by Employee. The obligations of this Section 5(c) shall continue after the termination of Executive's employment with respect to such Intellectual Property conceived of or developed by Executive while employed by the Company. The Company agrees to pay any and all copyright, trademark and patent fees and expenses or this costs incurred by Executive for any assistance rendered to the Company pursuant to this paragraph.

(d) If Executive commits a breach, or threatens to commit a breach, of any of the provisions of Sections 5(a), (b) or (c), the Company shall have the right and remedy:

(i) to have the provisions of this Agreement specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed by Executive that the services being rendered hereunder to the Company are of a special, unique, and extraordinary character and that any such breach or threatened breach will cause irreparable injury to the Company and that money damages will not provide an adequate remedy to the Company; and

(ii) to require Executive to account for and pay over to the Company all compensation, profits, monies, accruals, increments, or this benefits (collectively "Benefits") derived or received by Executive as the result of any transactions constituting a breach of any of the provisions of Sections 5(a), (b) or (c) and Executive hereby agrees to account for and pay over such Benefits to the Company.

Each of the rights and remedies enumerated in this Section 5(d) shall be independent of the other, and shall be severally enforceable, and such rights and remedies shall be in addition to, and not in lieu of, any other rights and remedies available to the Company under law or equity. If any provision of Sections 5(a), (b) or (c) is held to be unenforceable because of the scope, duration, or area of its applicability, the tribunal making such determination shall have the power to modify such scope, duration, or area, or all of them, and such provision or provisions shall then be applicable in such modified form.

6. Executive's Representations. Executive represents and warrants that:

(a) Executive has the right to enter into this Agreement and is not subject to any contract, commitment, agreement, arrangement or restriction of any kind which would prevent Executive from performing Executive's duties and obligations hereunder; and

(b) Executive is currently in good health and to the best of Executive's knowledge, Executive is not subject to any undisclosed medical condition which might have a material effect on Executive's ability to perform satisfactorily Executive's services hereunder.

7. Death of Executive. In the event of Executive's death during the Term, this Agreement shall terminate as of the date of death, and the Company shall no longer be under any obligation to Executive or her legal representatives pursuant to this Agreement except for (i) any base salary accrued and unpaid, (ii) any earned but unpaid bonus and (iii) any expenses incurred but unreimbursed under Section 3(c) hereof, to the date of death.

8. Disability. If, during the Term, Executive shall be unable to perform the duties required of her pursuant to this Agreement due to any "disability" (as hereinafter defined), the Company shall have the right to terminate Executive's employment hereunder by giving not less than 14 days' prior written notice to Employee, at the end of which 14-day period Executive's employment hereunder shall be terminated and the Company shall no longer be under any obligation to the Executive or her legal representatives pursuant to this Agreement except for (i) any base salary accrued and unpaid, (ii) any earned but unpaid bonus and (iii) any expenses incurred but unreimbursed under Section 3(c) hereof, to the date of termination. As used in this Agreement, the term "disability" shall mean the earlier to occur of either of the following events: (i) the determination by a physician selected by the Company, duly licensed in New York with a medical specialty appropriate for such determination (which determination shall be binding and conclusive for the purpose of this Section 8), that the Executive is either physically or mentally, permanently disabled or incapacitated or otherwise so disabled or incapacitated that she will be unable to perform her obligations to, or duties for, the Company pursuant to this Agreement for ninety (90) consecutive days or a period in excess of one hundred fifty (150) days out of any period of three hundred sixty (360) consecutive days, or (ii) the Employee, because of physical or mental disability or incapacity, was unable to perform her obligations to, or duties for, the Company pursuant to this Agreement on a full-time basis for ninety (90) consecutive days or a period in excess of one hundred fifty (150) days out of any period of three hundred sixty (360) consecutive days. The failure of the Executive to submit to an examination of a physician under this Section 8 shall automatically result in a determination of disability hereunder.

9. Termination.

(a) In addition to Sections 7 and 8 herein, Executive's employment hereunder may be terminated at any time by the Company upon the happening of any one or more of the following occurrences (hereinafter referred to as "termination for cause"):

(i) The willful or continued failure of Executive to perform her obligations under this Agreement, or the material breach of any other provision of this Agreement by Executive, after her receipt of written notice from the Company of such failure and a reasonable opportunity to cure (not to exceed 10 days) has been given to the Executive;

(ii) The indictment of Executive for any crime which constitutes a felony in the jurisdiction involved or any conviction of, or plea of guilty or nolo contendere to, any crime involving moral turpitude or which tends to bring to the Company into disrepute;

(iii) Executive's commission of any act of fraud, misappropriation, embezzlement or similar willful and malicious conduct against the Company; or

(iv) Executive's commission of an act or failure to act that involves willful misconduct, bad faith or gross negligence of Employee.

(b) Upon the termination of the Executive's employment pursuant to Section 9(a), the Company shall have no further obligations to the Executive hereunder.

(c) If the Company shall terminate Executive's employment other than pursuant to Sections 7, 8 or 9 (a), the Company shall pay Executive, within thirty (30) days of termination, severance pay equal to the lesser of six month's base salary or the salary remaining to be paid through the end of the Term (as if there had been no termination), and the Company shall have no further obligations to Executive hereunder except for (i) any salary accrued and unpaid, (ii) any earned but unpaid bonus and (iii) any expenses incurred but unreimbursed under Section 3(c) thereof, to the date of termination.

10. Policy on Insider Trading. Executive agrees to abide by the compliance policies of the Company relating to buying and selling securities of the Company and of companies which are the subject of articles in the Company's publications or of the Company's investment-related products, as such policy exists from time to time. Executive shall sign all such acknowledgments of the compliance policies as may be requested from time to time and cooperate fully with the Company and its agents in the implementation of the compliance policies.

11. Assignment. This Agreement is a personal contract and Executive may not sell, transfer or assign her rights, interests and obligations hereunder. Any assignment by the Executive contrary to this paragraph shall be null and void of no force and effect. The rights and obligations of Company hereunder shall be binding upon and run in favor of the successors and assigns of Company.

12. Entire Understanding; Governing Law. This Agreement and the Option Agreement referred to in Section 3(f) represents the entire agreement and understanding between the parties with respect to the subject matter thereof and supersedes all prior agreements and understandings. This Agreement shall be governed by, and construed in accordance with, the internal laws of New York without regard to principles of conflicts of law.

13. Modification; Waiver. This Agreement may not be amended, modified or amended, nor may any term or provision be waived unless such modification, amendment or waiver is in writing and signed by the party against whom enforcement of any such modification, amendment or waiver is sought.

14. Headings. Section headings contained in this Agreement are for convenience of reference only and shall not be considered a part of this Agreement.

15. Severability. If any provision or if any part of any provision of this Agreement is found to be unenforceable, illegal or contrary to public policy by a court of competent jurisdiction, the parties agree that this Agreement shall

remain in full force and effect except for such provision or part of any such provision held to be unenforceable.

16. Notices. Any notices or other communications required or permitted hereunder shall be in writing and shall be deemed given upon delivery if delivered in person or by overnight courier (e.g. Federal Express), or on the third business day following deposit in the United States mail, if sent by registered or certified mail, return receipt requested, addressed to the address of the party to receive notice set forth herein, or to such this address as a party shall designate by notice in writing given to the this party in accordance with the terms hereof, except that notices regarding changes in address shall be effective only upon receipt.

IN WITNESS WHEREOF, Company and Executive has signed this Agreement as of the day and year first above written.

INDIVIDUAL INVESTOR GROUP, INC.

By:/s/Jonathan Steinberg
Jonathan L. Steinberg
Chairman and Chief Executive Officer

/s/Brette Popper
Brette Popper

STOCK OPTION AGREEMENT

AGREEMENT dated as of the 14 day of September, 1998, by and between Individual Investor Group, Inc., a Delaware corporation ("Company"), and Brette Popper ("Employee").

WHEREAS, the Company and Employee have entered into an Employment Agreement dated September 11, 1998 pursuant to which Employee will be employed by the Company ("Employment Agreement");

WHEREAS, on September 14, 1998 ("Grant Date"), the Stock Option Committee of the Board of Directors of the Company authorized the grant to the Employee of an option ("Option") to purchase an aggregate of 250,000 shares of the authorized but unissued Common Stock of the Company, \$.01 par value ("Common Stock"), conditioned upon the Employee's acceptance thereof upon the terms and conditions set forth in this Agreement and the terms of the Employment Agreement; and

WHEREAS, the Employee desires to acquire the Option on the terms and conditions set forth in this Agreement;

IT IS AGREED:

1. Grant of Stock Option. The Company hereby grants the Employee the Option to purchase all or any part of an aggregate of 250,000 shares of Common Stock ("Option Shares") on the terms and conditions set forth herein and subject to the provisions of the Employment Agreement.

2. Non-Incentive Stock Option. The Option represented hereby is not intended to be an Option which qualifies as an "Incentive Stock Option" under Section 422 of the Internal Revenue Code of 1986, as amended.

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3. Exercise Price. The exercise price of the Option is \$1.1875 per share, subject to adjustment as hereinafter provided.

4. Exercisability. This Option is exercisable, subject to the terms and conditions of this Agreement, as follows: (i) the right to purchase 62,500 of the Option Shares shall be exercisable on or after September 14, 1999, (ii) the right to purchase an additional 62,500 of the Option Shares shall be exercisable on and after September 14, 2000 (iii) the right to purchase an additional 62,500 of the Option Shares shall be exercisable on and after September 14, 2001 and (iv) the right to purchase an additional 62,500 of the Option Shares shall be exercisable on or after September 14, 2002. After a portion of the Option becomes exercisable, it shall remain exercisable, except as otherwise provided herein, until the close of business on September 14, 2008 ("Exercise Period").

5. Effect of Termination of Employment.

5.1. Termination Due to Death. If Employee's employment by the Company terminates by reason of death, the portion of the Option, if any, that was exercisable as of the date of death may thereafter be exercised by the legal representative of the estate or by the legatee of the Employee under the will of the Employee, for a period of one year from the date of such death or until the expiration of the Exercise Period, whichever period is shorter. The portion of the Option, if any, that was not exercisable as of the date of death shall immediately terminate upon death.

5.2. Termination Due to Disability. If Employee's employment by the Company terminates by reason of Disability (as such term is defined in the Employment Agreement), the portion of the Option, if any, that was exercisable as of the date of termination of employment may thereafter be exercised by the Employee for a period of one year from the date of the termination of employment or until the expiration of the Exercise Period, whichever period is shorter. The portion of the Option, if any, that was not exercisable as of the date of the termination of employment shall immediately terminate upon the termination of employment.

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5.3. Other Termination.

5.3.1. If Employee's employment is terminated by the Company for cause (as defined in Section 9(a) of the Employment Agreement), this Option, whether or not exercisable, shall immediately expire.

5.3.2. If Employee's employment is terminated by the Company without cause (as defined in Section 9(a) of the Employment Agreement), the portion of the Option, if any, that was exercisable as of the date of termination of employment may thereafter be exercised by the Employee for a period of one year from the date of the termination of employment or until the expiration of the Exercise Period, whichever period is shorter. The portion of the Option, if any, that was not exercisable as of the date of the termination of employment shall immediately terminate upon the termination of employment.

5.3.3. If Employee terminates her employment with the Company, this Option, whether or not exercisable, shall immediately expire.

6. Withholding Tax. Not later than the date as of which an amount first becomes includible in the gross income of the Employee for Federal income tax purposes with respect to the Option, the Employee shall notify the Company of the amount and, to the extent required, pay to the Company, or make arrangements satisfactory to the Board regarding the payment of, any Federal, state and local taxes of any kind required by law to be withheld or paid with respect to such amount. The obligations of the Company pursuant to this Agreement shall be conditional upon such payment or arrangements with the Company and the Company shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the Employee from the Company.

7. Adjustments. In the event of any recapitalization, dividend (other than cash dividend), stock split, reverse stock split, or other change in capital structure of the Company affecting the number of issued shares of Common Stock, the Company shall proportionally adjust the number and kind of Option Shares and the exercise price of the Option in order to prevent the dilution or enlargement of the Employee's proportionate interest in the Company and Employee's rights hereunder immediately prior to the reorganization, recapitalization, consolidation, dividend, stock split, reverse stock split or other change, provided that the number of Option Shares shall always be a whole number.

8. Acceleration of Vesting on Change of Control. Notwithstanding the provisions of Sections 4, in the event of a "change of control" (as defined below) while the Employee is employed by the Company, the vesting of this Option shall accelerate and all the Option Shares shall be purchasable by Employee simultaneous with such change of control. For the purposes of this Agreement, a change of control shall mean (i) the acquisition by any "person" (as defined in Section 3(a)(9) and 13(d) of the Securities Exchange Act of 1934, as amended ("Exchange Act")), other than a stockholder of the Company that, as of the date of this Agreement, is the beneficial owner (as defined in Rule 13d-3 promulgated under the Exchange Act) of 10% or more of the outstanding voting securities of the Company, of more than 50% of the combined voting power of the then outstanding voting securities of the Company or (ii) the sale by the Company of all, or substantially all, of the assets of the Company to one or more purchasers, in one or a series of related transactions, where the transaction or transactions require approval pursuant to Delaware law by the stockholders of the Company.

9. Method of Exercise.

9.1. Notice to the Company. The Option shall be exercised in whole or in part by written notice in substantially the form attached hereto as Exhibit A directed to the Company at its principal place of business accompanied by full payment as hereinafter provided of the exercise price for the number of Option Shares specified in the notice.

9.2. Delivery of Option Shares. The Company shall deliver a certificate for the Option Shares to the Employee as soon as practicable after payment therefor.

9.3. Payment of Purchase Price. The Employee shall make payments by wire transfer, certified or bank check, in each case payable to the order of the Company. Alternatively, the Employee may make arrangements satisfactory to the Company with a bank or a broker who is a member of the National Association of Securities Dealers, Inc. to sell on the exercise

date a sufficient number of the Option Shares being purchased so that the net proceeds of the sale transaction will at least equal the Exercise Price multiplied by the number of Option Shares being purchased pursuant to such exercise, plus the amount of any applicable withholding taxes and pursuant to which the bank or broker undertakes to deliver the full Exercise Price multiplied by the number of Option Shares being purchased pursuant to such exercise, plus the amount of any applicable withholding taxes to the Company on a date satisfactory to the Company, but no later than the date on which the sale transaction would settle in the ordinary course of business.

10. Nonassignability. The Option shall not be assignable or transferable except by will or by the laws of descent and distribution in the event of the death of the Employee. No transfer of the Option by the Employee by will or by the laws of descent and distribution shall be effective to bind the Company unless the Company shall have been furnished with written notice thereof and a copy of the will and such other evidence as the Company may deem necessary to establish the validity of the transfer and the acceptance by the transferee or transferees of the terms and conditions of the Option.

11. Company Representations. The Company hereby represents and warrants to the Employee that:

(a) the Company, by appropriate and all required action, is duly authorized to enter into this Agreement and consummate all of the transactions contemplated hereunder; and

(b) the Option Shares, when issued and delivered by the Company to the Employee in accordance with the terms and conditions hereof, will be duly and validly issued and fully paid and non-assessable.

12. Employee Representations. The Employee hereby represents and warrants to the Company that:

(a) she is acquiring the Option and shall acquire the Option Shares for her own account and not with a view towards the distribution thereof;

(b) she has received a copy of all reports and documents required to be filed by the Company with the Commission pursuant to the Exchange Act within the last 24 months and all reports issued by the Company to its stockholders;

(c) she understands that she must bear the economic risk of the investment in the Option Shares, which cannot be sold by her unless they are registered under the Securities Act of 1933 ("1933 Act") or an exemption therefrom is available thereunder;

(d) she has had both the opportunity to ask questions and receive answers from the officers and directors of the Company and all persons acting on its behalf concerning the terms and conditions of the offer made hereunder and to obtain any additional information to the extent the Company possesses or may possess such information or can acquire it without unreasonable effort or expense necessary to verify the accuracy of the information obtained pursuant to clause (b) above;

(e) she is aware that the Company shall place stop transfer orders with its transfer agent against the transfer of the Option Shares in the absence of registration under the 1933 Act or an exemption therefrom as provided herein; and

(i) The certificates evidencing the Option Shares may bear the following legends:

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

"The shares represented by this certificate have been acquired pursuant to a Stock Option Agreement, dated as of September 14, 1998, a copy of which is on file with the Company, and may not be transferred, pledged or disposed of except in accordance with the terms and conditions thereof."

13. Restriction on Transfer of Option and Option Shares. Anything in this Agreement to the contrary notwithstanding and in addition to the provisions of Section 10 of this Agreement, the Employee hereby agrees that she shall not sell, transfer by any means or otherwise dispose of the Option Shares acquired by her without registration under the 1933 Act, or in the event that they are not so registered, unless (i) an exemption from the 1933 Act registration requirements is available thereunder, and (ii) the Employee has furnished the Company with notice of such proposed transfer and the Company's legal counsel, in its reasonable opinion, shall deem such proposed transfer to be so exempt.

14. Registration Right. The Company agrees to file a registration statement ("Registration Statement") on Form S-8 (or successor form) to register the Option Shares for issuance to Employee on or prior to the date the Option or any portion thereof first becomes exercisable. The Company will bear all expenses and pay all fees incurred in connection with the filing and modification or amendment of the Registration Statement, exclusive of underwriting discounts, and commissions payable in respect of the sale of the Common Stock and any counsel for the Employee. Moreover, if the Company fails to comply with the provisions of this Section 14, the Company shall, in addition to any other equitable or other relief available to the Employee, be liable for any and all incidental, special and consequential damages and damages due to loss of profits sustained by the Employee.

15. Miscellaneous.

15.1. Notices. Any notices or other communications required or permitted hereunder shall be in writing and shall be deemed given upon delivery if delivered in person or by overnight courier (e.g. Federal Express), or on the third business day following deposit in the United States mail, if sent by registered or certified mail, return receipt requested, addressed to the address of the party to receive notice set forth herein, or to such this address as a party shall designate by notice in writing given to the this party in accordance with the terms hereof, except that notices regarding changes in address shall be effective only upon receipt.

15.2. Stockholder Rights. The Employee shall not have any of the rights of a stockholder with respect to the Option Shares until such shares have been issued after the due exercise of the Option. Nothing

contained in this Agreement shall be deemed to confer upon Employee any right to continued employment with the Company or any subsidiary thereof, nor shall it interfere in any way with the right of the Company to terminate Employee in accordance with the provisions regarding such termination set forth in Employee's Employment Agreement with the Company, or if there exists no such agreement, to terminate Employee at will.

15.3. Waiver. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other or subsequent breach.

15.4. Entire Agreement. This Agreement and the Employment Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. This Agreement may not be amended except by writing executed by the party to be charged.

15.5. Binding Effect; Successors. This Agreement shall inure to the benefit of and be binding upon the parties hereto and, to the extent not prohibited herein, their respective heirs, successors, assigns and representatives. Nothing in this Agreement, expressed or implied, is intended to confer on any person other than the parties hereto and as provided above, their respective heirs, successors, assigns and representatives any rights, remedies, obligations or liabilities.

15.6. Governing Law. This Agreement shall be governed by and construed in accordance with the Internal laws of the State of New York without regard to principles of conflicts of law.

15.7. Headings. The headings contained herein are for the sole purpose of convenience of reference, and shall not in any way limit or affect the meaning or interpretation of any of the terms or provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement as of the day and year first above written.

INDIVIDUAL INVESTOR GROUP, INC.

Address:

1633 Broadway, 38th Floor
New York, New York 10019

By:/s/Jonathan Steinberg
Jonathan L. Steinberg
Chairman and Chief Executive Officer

EMPLOYEE:

Address:

522 West End Avenue
Apartment 15A
New York, New York 10024

/s/Brette Popper
Brette Popper

FORM OF NOTICE OF EXERCISE OF OPTION

DATE

Individual Investor Group, Inc.
1633 Broadway, 38th Floor
New York, New York 10019

Attention: Board of Directors

Re: Purchase of Option Shares

Gentlemen:

In accordance with my Stock Option Agreement dated as of September 14, 1998 ("Agreement") with Individual Investor Group, Inc. ("Company"), I hereby irrevocably elect to exercise the right to purchase _____ shares of the Company's common stock, par value \$.01 per share ("Common Stock"), which are being purchased for investment and not for resale.

As payment for my shares, enclosed is (check and complete applicable box[es]):

+++ a [personal check] [certified check] [bank check] payable to the order
+++ "Individual Investor Group, Inc." in the sum of \$_____; and/or

+++ confirmation of wire transfer in the amount of \$_____.
+++

I hereby represent, warrant to, and agree with, the Company that:

(i) I have acquired the Option and shall acquire the Option Shares for my own account and not with a view towards the distribution thereof;

(ii) I have received a copy of all reports and documents required to be filed by the Company with the Commission pursuant to the Exchange Act within the last 24 months and all reports issued by the Company to its stockholders;

(iii) I understand that I must bear the economic risk of the investment in the Option Shares, which cannot be sold by me unless they are registered under the Securities Act of 1933 ("1933 Act") or an exemption therefrom is available thereunder;

(iv) I have had both the opportunity to ask questions and receive answers from the officers and directors of the Company and all persons acting on its behalf concerning the terms and conditions of the offer made hereunder and to obtain any additional information to the extent the Company possesses or may possess such information or can acquire it without unreasonable effort or expense necessary to verify the accuracy of the information obtained pursuant to clause (ii) above;

(v) I am aware that the Company shall place stop transfer orders with its transfer agent against the transfer of the Option Shares in the absence of registration under the 1933 Act or an exemption therefrom as provided herein;

(vi) my rights with respect to the Option Shares shall, in all respects, be subject to the terms and conditions of this Agreement and the Employment Agreement; and

(vii) the certificates evidencing the Option Shares may bear the following legends:

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

"The shares represented by this certificate have been acquired pursuant to a Stock Option Agreement, dated as of September 14, 1998, a copy of which is on file with the Company, and may not be transferred, pledged or disposed of except in accordance with the terms and conditions thereof."

Kindly forward to me my certificate at your earliest convenience.

Very truly yours,

(Signature)

(Address)

(Print Name)

(Address)

(Social Security Number)

Mr. Jonathan L. Steinberg
November 4, 1998

GREGORY E. BARTON
461 Burgess Drive # 11
Menlo Park, California 94025
(650) 329-9489

July 21, 1998

VIA TELECOPY ONLY (212-843-2791)

Mr. Jonathan L. Steinberg
Chief Executive Officer
Individual Investor Group, Inc.
1633 Broadway, 38th Floor
New York, New York 10019

Dear Jono,

I am pleased and excited to have the opportunity to work with you taking Individual Investor Group, Inc. ("INDI") to its next level of success. As we discussed, this letter sets forth the primary terms of the offer of employment that has been extended to me by INDI, and I agree to accept employment with INDI in accordance with these terms:

Position: I will be appointed Vice President of Business and Legal Affairs, and General Counsel, of INDI.

Salary: My starting base salary will be \$200,000 per annum, which will be paid in accordance with INDI's normal payroll policies in effect from time to time.

Sign-on Bonus: I will be paid a one-time sign-on bonus of \$5,000 on my first day of work.

StockOption: I will promptly be granted an option (the "Option") to purchase 150,000 shares of INDI common stock pursuant to one of INDI's Stock Option Plans for which a Form S-8 registration is in effect (the "Plan"). The per share exercise price of the Option shall be the fair market value of INDI common stock on the date of grant as determined in accordance with the Plan. The Option shall be an incentive stock option to the maximum extent permitted by law. The Option shall be exercisable as to 37,500 shares on each of the first four anniversaries of my employment start date (thus a total of four years is required before all shares subject to the Option may be exercised), and shall expire 10 years after grant. In the event of a change in control of INDI, all shares subject to the Option shall immediately become exercisable.

Severance: In the event that, within the first year of employment, either (a) I am terminated without cause or (b) my job responsibilities or title are materially diminished and I resign, I shall be paid a severance equal to six months' salary, in addition to any other sums or benefits to which I may be entitled.

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Miscellaneous: I will be covered by INDI's employee group insurance plan, summaries of which will be provided to me. I will be entitled to participate in INDI's 401(k) plan. I will receive four weeks of paid vacation each year. I will commence work on a date to be agreed upon, which date shall be on or before September 15, 1998.

This letter sets forth the entire agreement of the parties with respect to the subject matter hereof, and supersedes all other discussions, whether written or oral. The terms of this letter may not be modified or amended except in a writing signed by each of the parties hereto. A signature received via facsimile shall be deemed an original for all purposes.

If you agree with the above, please sign this letter and fax it to me (at 408-383-4944). I look forward to receiving your signature, and working with you closely creating INDI's exciting future!

Sincerely,

/s/ Gregory Barton
Gregory E. Barton

AGREED AND ACCEPTED

Individual Investor Group, Inc.

By: /s/ Jonathan Steinberg
Jonathan L. Steinberg
Chief Executive Officer

Date: 7/21/98

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INCENTIVE STOCK OPTION AGREEMENT

AGREEMENT made as of the 14th day of September, 1998, by and between INDIVIDUAL INVESTOR GROUP, INC., a Delaware corporation ("Company"), and Gregory E. Barton ("Employee").

WHEREAS, on September 14, 1998 ("Grant Date"), pursuant to the terms and conditions of the Company's 1996 Performance Equity Plan ("Plan"), the Board of Directors of the Company ("Board") authorized the grant to the Employee of an option ("Option") to purchase an aggregate of 150,000 shares of the authorized but unissued Common Stock of the Company, \$.01 par value ("Common Stock"), conditioned upon the Employee's acceptance thereof upon the terms and conditions set forth in this Agreement and subject to the terms of the Plan; and

WHEREAS, the Employee desires to acquire the Option on the terms and conditions set forth in this Agreement;

IT IS AGREED:

1. Grant of Stock Option. The Company hereby grants the Employee the Option to purchase all or any part of an aggregate of 150,000 shares of Common Stock ("Option Shares") on the terms and conditions set forth herein and subject to the provisions of the Plan.

2. Incentive Stock Option. The Option represented hereby is intended to be an Option which qualifies as an "Incentive Stock Option" under Section 422 of the Internal Revenue Code of 1986, as amended.

3. Exercise Price. The exercise price of the Option is \$1.1875 per share, subject to adjustment as hereinafter provided.

4. Exercisability. This Option is exercisable, subject to the terms and conditions of the Plan, as follows: (i) the right to purchase 37,500 of the Option Shares shall be exercisable on September 14, 1999, (ii) the right to purchase an additional 37,500 of the Option Shares shall be exercisable on and after September 14, 2000, (iii) the right to purchase an additional 37,500 of the Option Shares shall be exercisable on and after September 14, 2001 and (iv) the right to purchase the remaining 37,500 of the Options Shares shall be exercisable on and after September 14, 2002. After a portion of the Option becomes exercisable, it shall remain exercisable, except as otherwise provided herein, until the close of business on September 14, 2008, ("Exercise Period").

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5. Effect of Termination of Employment.

5.1. Termination Due to Death. If Employee's employment by the Company terminates by reason of death, the portion of the Option, if any, that was exercisable as of the date of death may thereafter be exercised by the legal representative of the estate or by the legatee of the Employee under the will of the Employee, for a period of one year from the date of such death or until the expiration of the Exercise Period, whichever period is shorter. The portion of the Option, if any, that was not exercisable as of the date of death shall immediately terminate upon death.

5.2. Termination Due to Disability. If Employee's employment by the Company terminates by reason of Disability (as such term is defined in the Plan), the portion of the Option, if any, that was exercisable as of the date of termination of employment may thereafter be exercised by the Employee for a period of one year from the date of the termination of employment or until the expiration of the Exercise Period, whichever period is shorter. The portion of the Option, if any, that was not exercisable as of the date of the termination of employment shall immediately terminate upon the termination of employment.

5.3. Other Termination.

5.3.1. If Employee's employment is terminated by the Company or the Employee for any reason other than (i) death, (ii) Disability or (iii) or as set forth in Section 5.3.2, the Option, whether or not then exercisable shall immediately expire on the date of termination.

5.3.2. If Employee's employment is terminated by the Company without cause or for Normal Retirement (as such term is defined in the Plan), the portion of the Option, if any, that was exercisable as of the date of termination of employment may thereafter be exercised by the Employee for a period of three months from the date of the termination of employment or until the expiration of the Exercise Period, whichever period is shorter. The portion of the Option, if any, that was not exercisable as of the date of the termination of employment shall immediately terminate upon the termination of employment.

5.3.3. If Employee terminates his employment with the Company, this Option, whether or not exercisable, shall immediately expire.

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6. Withholding Tax. Not later than the date as of which an amount first becomes includible in the gross income of the Employee for Federal income tax purposes with respect to the Option, the Employee shall pay to the Company, or make arrangements satisfactory to the Company regarding the payment of, any Federal, state and local taxes of any kind required by law to be withheld or paid with respect to such amount. The obligations of the Company under the Plan and pursuant to this Agreement shall be conditional upon such payment or arrangements with the Company and the Company shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the Employee from the Company.

7. Adjustments. In the event of any merger, reorganization, consolidation, recapitalization, consolidation, recapitalization, dividend (other than cash dividend), stock split, reverse stock split, or other change in corporate structure affecting the number of issued shares of Common Stock, the Company shall proportionally adjust the number and kind of Option Shares and the exercise price of the Option in order to prevent the dilution or enlargement of the Employee's proportionate interest in the Company and Employee's rights hereunder, provided that the number of Option Shares shall always be a whole number.

8. Acceleration of Vesting on Change of Control. Notwithstanding the provisions of Section 4, in the event of a "change of control" (as defined below) while the Employee is employed by the Company, the vesting of this Option shall accelerate and all the Option Shares shall be purchasable by Employee simultaneous with such change of control. For the purposes of this Agreement, a change of control shall mean (i) the acquisition by any "person" (as defined in Section 3(a)(9) and 13(d) of the Securities Exchange Act of 1934, as amended ("Exchange Act")), other than a stockholder of the Company that, as of the date of this Agreement, is the beneficial owner (as defined in Rule 13d-3 promulgated under the Exchange Act) of 10% or more of the outstanding voting securities of the Company, of more than 50% of the combined voting power of the then outstanding voting securities of the Company or (ii) the sale by the Company of all, or substantially all, of the assets of the Company to one or more purchasers, in one or a series of related transactions, where the transaction or transactions require approval pursuant to Delaware law by the stockholders of the Company.

9. Method of Exercise.

9.1. Notice to the Company. The Option shall be exercised in whole or in part by written notice in substantially the form attached hereto as Exhibit A directed to the Company at its principal place of

business accompanied by full payment as hereinafter provided of the exercise price for the number of Option Shares specified in the notice.

9.2. Delivery of Option Shares. The Company shall deliver a certificate for the Option Shares to the Employee as soon as practicable after payment therefor.

9.3. Payment of Purchase Price. The Employee shall make payments by wire transfer, certified or bank check, in each case payable to the order of the Company. Alternatively, the Employee may make arrangements satisfactory to the Company with a bank or a broker who is a member of the National Association of Securities Dealers, Inc. to sell on the exercise date a sufficient number of the Option Shares being purchased so that the net proceeds of the sale transaction will at least equal the Exercise Price multiplied by the number of Option Shares being purchased pursuant to such exercise, plus the amount of any applicable withholding taxes and pursuant to which the bank or broker undertakes to deliver the full Exercise Price multiplied by the number of Option Shares being purchased pursuant to such exercise, plus the amount of any applicable withholding taxes to the Company on a date satisfactory to the Company, but no later than the date on which the sale transaction would settle in the ordinary course of business.

10. Nonassignability. The Option shall not be assignable or transferable except by will or by the laws of descent and distribution in the event of the death of the Employee. No transfer of the Option by the Employee by will or by the laws of descent and distribution shall be effective to bind the Company unless the Company shall have been furnished with written notice thereof and a copy of the will and such other evidence as the Company may deem necessary to establish the validity of the transfer and the acceptance by the transferee or transferees of the terms and conditions of the Option.

11. Company Representations. The Company hereby represents and warrants to the Employee that:

(a) the Company, by appropriate and all required action, is duly authorized to enter into this Agreement and consummate all of the transactions contemplated hereunder; and

(b) the Option Shares, when issued and delivered by the Company to the Employee in accordance with the terms and conditions hereof, will be duly and validly issued and fully paid and non-assessable.

12. Employee Representations. The Employee hereby represents and warrants to the Company that:

(a) he is acquiring the Option and shall acquire the Option Shares for his or her own account and not with a view towards the distribution thereof;

(b) he has received a copy of all reports and documents required to be filed by the Company with the Commission pursuant to the Exchange Act within the last 24 months and all reports issued by the Company to its stockholders and a copy of the Plan in effect as of the date of this Agreement;

(c) he understands that he must bear the economic risk of the investment in the Option Shares, which cannot be sold by him unless they are registered under the Securities Act of 1933 ("1933 Act") or an exemption therefrom is available thereunder;

(d) he has had both the opportunity to ask questions and receive answers from the officers and directors of the Company and all persons acting on its behalf concerning the terms and conditions of the offer made hereunder and to obtain any additional information to the extent the Company possesses or may possess such information or can acquire it without unreasonable effort or expense necessary to verify the accuracy of the information obtained pursuant to clause (b) above;

(e) he is aware that the Company shall place stop transfer orders with its transfer agent against the transfer of the Option Shares in the absence of registration under the 1933 Act or an exemption therefrom as provided herein; and

(i) In the absence of registration under the 1993 Act, the certificates evidencing the Option Shares shall bear the following legends:

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

"The shares represented by this certificate have been acquired pursuant to a Stock Option Agreement, dated as of September 14, 1998, a copy of which is on file with the Company, and may not be transferred, pledged or disposed of except in accordance with the terms and conditions thereof."

13. Restriction on Transfer of Stock Option Agreement and Option Shares. Anything in this Agreement to the contrary notwithstanding and in addition to the provisions of Section 12 of this Agreement, the Employee hereby agrees that he shall not sell, transfer by any means or otherwise dispose of the Option Shares acquired by him without registration under the 1933 Act, or in the event that they are not so registered, unless (i) an exemption from the 1933 Act registration requirements is available thereunder, and (ii) the Employee has furnished the Company with notice of such proposed transfer and the Company's legal counsel, in its reasonable opinion, shall deem such proposed transfer to be so exempt.

14. Miscellaneous.

14.1. Notices. All notices, requests, deliveries, payments, demands and other communications which are required or permitted to be given under this Agreement shall be in writing and shall be either delivered personally or sent by registered or certified mail, or by private courier, return receipt requested, postage prepaid to the parties at their respective addresses set forth herein, or to such other address as either shall have specified by notice in writing to the other. Notice shall be deemed duly given hereunder when delivered or mailed as provided herein.

14.2. Plan Paramount; Conflicts with Plan. This Agreement and the Option shall, in all respects, be subject to the terms and conditions of the Plan, whether or not stated herein. In the event of a conflict between the provisions of the Plan and the provisions of this Agreement, the provisions of the Plan shall in all respects be controlling.

14.3. Stockholder Rights. The Employee shall not have any of the rights of a stockholder with respect to the Option Shares until such shares have been issued after the due exercise of the Option. Nothing contained in this Agreement shall be deemed to confer upon Employee any right to continued employment with the Company or any subsidiary thereof, nor shall it interfere in any way with the right of the Company to terminate Employee in accordance with the provisions regarding such termination set forth in Employee's written agreement with the Company, or if there exists no such agreement, to terminate Employee at will.

14.4. Waiver. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other or subsequent breach.

14.5. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. This Agreement may not be amended except by writing executed by the party to be charged.

14.6. Binding Effect; Successors. This Agreement shall inure to the benefit of and be binding upon the parties hereto and, to the extent not prohibited herein, their respective heirs, successors, assigns and representatives. Nothing in this Agreement, expressed or implied, is intended to confer on any person other than the parties hereto and as provided above, their respective heirs, successors, assigns and representatives any rights, remedies, obligations or liabilities.

14.7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York (without regard to choice of law provisions).

14.8. Headings. The headings contained herein are for the sole purpose of convenience of reference, and shall not in any way limit or affect the meaning or interpretation of any of the terms or provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement as of the day and year first above written.

INDIVIDUAL INVESTOR GROUP, INC.

Address:
1633 Broadway, 38th Floor
New York, New York 10019

By: /s/ Jonathan Steinberg

EMPLOYEE:

Address:
22 East 36th Street, Apartment 3D
New York, New York 10016

/s/ Gregory Barton
Gregory E. Barton

EXHIBIT A

FORM OF NOTICE OF EXERCISE OF OPTION

DATE

Individual Investor Group, Inc.
1633 Broadway, 38th Floor
New York, New York 10019

Attention: Stock Option Committee of
the Board of Directors

Re: Purchase of Option Shares

Gentlemen:

In accordance with my Stock Option Agreement dated as of September 14, 1998 ("Agreement") with Individual Investor Group, Inc. ("Company"), I hereby irrevocably elect to exercise the right to purchase _____ shares of the Company's common stock, par value \$.01 per share ("Common Stock"), which are being purchased for investment and not for resale.

As payment for my shares, enclosed is (check and complete applicable box[es]):

a [personal check] [certified check] [bank check payable to the order of "Individual Investor Group, Inc." in the sum of \$_____ and/or;

confirmation of wire transfer in the amount of \$_____.

I hereby represent, warrant to, and agree with, the Company that:

(i) I have acquired the Option and shall acquire the Option Shares for my own account and not with a view towards the distribution thereof;

(ii) I have received a copy of all reports and documents required to be filed by the Company with the Commission pursuant to the Exchange Act within the last 24 months and all reports issued by the Company to its stockholders;

(iii) I understand that I must bear the economic risk of the investment in the Option Shares, which cannot be sold by me unless they are registered under the Securities Act of 1933 ("1933 Act") or an exemption therefrom is available thereunder and that the Company is under no obligation to register the Option Shares for sale under the 1933 Act;

(iv) I have had both the opportunity to ask questions and receive answers from the officers and directors of the Company and all persons acting on its behalf concerning the terms and conditions of the offer made hereunder and to obtain any additional information to the extent the Company possesses or may possess such information or can acquire it without unreasonable effort or expense necessary to verify the accuracy of the information obtained pursuant to clause (ii) above;

(v) I am aware that the Company shall place stop transfer orders with its transfer agent against the transfer of the Option Shares in the absence of registration under the 1933 Act or an exemption therefrom as provided herein;

(vi) my rights with respect to the Option Shares shall, in all respects, be subject to the terms and conditions of this Company's 1996 Stock Option Plan and this Agreement; and

(vii) the certificates evidencing the Option Shares shall bear the following legends:

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

"The shares represented by this certificate have been acquired pursuant to a Stock Option Agreement, dated as of September 14, 1998, a copy of which is on file with the Company, and may not be transferred, pledged or disposed of except in accordance with the terms and conditions thereof."

Kindly forward to me my certificate at your earliest convenience.

Very truly yours,

(Signature)

(Address)

(Print Name)

(Address)

(Social Security Number)

INDEMNIFICATION AGREEMENT

This Agreement, made and entered into as of the 14th day of September, 1998 ("Agreement"), by and between Individual Investor Group, Inc., a Delaware corporation ("Corporation"), and Brette Popper ("Indemnitee"):

WHEREAS, highly competent persons recently have become more reluctant to serve publicly-held corporations as directors, officers, or in other capacities, unless they are provided with better protection from the risk of claims and actions against them arising out of their service to and activities on behalf of such corporation; and

WHEREAS, the current impracticability of obtaining adequate insurance and the uncertainties related to indemnification have increased the difficulty of attracting and retaining such persons; and

WHEREAS, the Board of Directors of the Corporation ("Board") has determined that the inability to attract and retain such persons is detrimental to the best interests of the Corporation's stockholders and that such persons should be assured that they will have better protection in the future; and

WHEREAS, it is reasonable, prudent and necessary for the Corporation to obligate itself contractually to indemnify such persons to the fullest extent permitted by applicable law so that such persons will serve or continue to serve the Corporation free from undue concern that they will not be adequately indemnified; and

WHEREAS, this Agreement is a supplement to and in furtherance of Article VIII of the By-laws of the Corporation, and Article VIII of the Amended and Restated Certificate of Incorporation of the Corporation and any resolutions adopted pursuant thereto and shall neither be deemed to be a substitute therefor nor to diminish or abrogate any rights of Indemnitee thereunder; and

WHEREAS, Indemnitee is willing to serve and to take on additional service for or on behalf of the Corporation on the condition that he be indemnified according to the terms of this Agreement;

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Corporation and Indemnitee do hereby covenant and agree as follows:

1 Definitions.

For purposes of this Agreement:

1.1 "Change in Control" means a change in control of the Corporation occurring after the date hereof of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or in response to any similar item on any similar schedule or form) promulgated under the Securities Exchange Act of 1934, as amended ("Act"), whether or

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not the Corporation is then subject to such reporting requirement provided, however, that, without limitation, such a Change in Control shall be deemed to have occurred if after the date hereof (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Act) is or becomes "beneficial owner" (as defined in Rule 13d-3 under the Act), directly or indirectly, of securities of the Corporation representing 20% or more of the combined voting power of the then outstanding securities of the Corporation without the prior approval of at least two-thirds of the members of the Board in office immediately prior to such person attaining such percentage interest; (ii) the Corporation is a party to a merger, consolidation, sale of assets or other reorganization, or a proxy contest, as a consequence of which members of the Board in office immediately prior to such transaction or event constitute less than a majority of the Board thereafter; or (iii) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board (including for this purpose any new director whose election or nomination for election by the Corporation's stockholders was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of such period) cease for any reason to constitute at least a majority of the Board.

1.2 "Corporate Status" means the status of a person who is or was a director, officer, employee, agent or fiduciary of the Corporation or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which such person is or was serving at the request of the Corporation.

1.3 "Disinterested Director" means a director of the Corporation who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

1.4 "Expenses" means all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing

to prosecute or defend, investigating, or being or preparing to be a witness in a Proceeding.

1.5 "Independent Counsel" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Corporation or Indemnatee in any other matter material to either such party, or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Corporation or Indemnatee in an action to determine Indemnatee's rights under this Agreement.

1.6 "Proceeding" means any action, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing or any other proceeding, whether civil, criminal, administrative or investigative, except one initiated by an Indemnatee pursuant to Section 11 of this Agreement to enforce his rights under this Agreement.

2 Services by Indemnatee.

Indemnatee agrees to serve as President and Chief Operating Officer of the Corporation. Indemnatee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by operation of law).

3 Indemnification - General.

The Corporation shall indemnify, and advance Expenses to, Indemnitee as provided in this Agreement to the fullest extent permitted by applicable law in effect on the date hereof and to such greater extent as applicable law may thereafter from time to time permit. The rights of Indemnitee provided under the preceding sentence shall include, but shall not be limited to, the rights set forth in the other Sections of this Agreement.

4 Proceedings Other Than Proceedings by or in the Right of the Corporation.

Indemnitee shall be entitled to the rights of indemnification provided in this Section if, by reason of his Corporate Status, he is, or is threatened to be made, a party to any threatened, pending or completed Proceeding, other than a Proceeding by or in the right of the Corporation. Pursuant to this Section, Indemnitee shall be indemnified against Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or on his behalf in connection with any such Proceeding or any claim, issue or matter therein, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal Proceeding, had no reasonable cause to believe his conduct was unlawful.

5 Proceedings by or in the Right of the Corporation.

Indemnitee shall be entitled to the rights of indemnification provided in this Section if, by reason of his Corporate Status, he is, or is threatened to be made, a party to any threatened, pending or completed Proceeding brought by or in the right of the Corporation to procure a judgment in its favor. Pursuant to this Section, Indemnitee shall be indemnified against Expenses actually and reasonably incurred by him or on his behalf in connection with any such Proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation. Notwithstanding the foregoing, no indemnification against such Expenses shall be made in respect of any claim, issue or matter in any such proceeding as to which Indemnitee shall have been adjudged to be liable to the Corporation if applicable law prohibits such indemnification unless the Court of Chancery of the State of Delaware, or the court in which such Proceeding shall have been brought or is pending, shall determine that indemnification against Expenses may nevertheless be made by the Corporation.

6 Indemnification for Expenses of Party Who is Wholly or Partly Successful.

Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his Corporate Status, a party to and is successful, on the merits or otherwise, in any Proceeding, he shall be indemnified against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Corporation shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or on his behalf in connection with each successfully resolved claim, issue or matter. For the purposes of this Section and without limiting the foregoing,

the termination of any claim, issue or matter in any such Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

7 Indemnification for Expenses as a Witness.

Notwithstanding any other provision of this Agreement, to the extent that Indemnatee is, by reason of his Corporate Status, a witness in any Proceeding, he shall be indemnified against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith.

8 Advancement of Expenses.

The Corporation shall advance all Expenses incurred by or on behalf of Indemnatee in connection with any Proceeding within twenty days after the receipt by the Corporation of a statement or statements from Indemnatee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnatee and shall include or be preceded or accompanied by an undertaking by or on behalf of Indemnatee to repay any Expenses advanced if it shall ultimately be determined that Indemnatee is not entitled to be indemnified against such Expenses.

9 Procedure for Determination of Entitlement to Indemnification.

9.1 To obtain indemnification under this Agreement in connection with any Proceeding, and for the duration thereof, Indemnatee shall submit to the Corporation a written request, including therein or therewith such documentation and information as is reasonably available to Indemnatee and is reasonably necessary to determine whether and to what extent Indemnatee is entitled to indemnification. The Secretary of the Corporation shall, promptly upon receipt of any such request for indemnification, advise the Board in writing that Indemnatee has requested indemnification.

9.2 Upon written request by Indemnatee for indemnification pursuant to Section 9.1 hereof, a determination, if required by applicable law, with respect to Indemnatee's entitlement thereto shall be made in such case: (i) if a Change in Control shall have occurred, by Independent Counsel (unless Indemnatee shall request that such determination be made by the Board or the stockholders, in which case in the manner provided for in clauses (ii) or (iii) of this Section 9.2) in a written opinion to the Board, a copy of which shall be delivered to Indemnatee); (ii) if a Change of Control shall not have occurred, (A) by the Board by a majority vote of a quorum consisting of Disinterested Directors, or (B) if a quorum of the Board consisting of Disinterested Directors is not obtainable, or even if such quorum is obtainable, if such quorum of Disinterested Directors so directs, either (x) by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnatee, or (y) by the stockholders of the Corporation, as determined by such quorum of Disinterested Directors, or a quorum of the Board, as the case may be; or (iii) as provided in Section 10.2 of this Agreement. If it is so determined that Indemnatee is entitled to indemnification, payment to Indemnatee shall be made within ten (10) days after such determination. Indemnatee shall cooperate with the person, persons or entity making such determination with respect to Indemnatee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from

disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Corporation (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Corporation hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

9.3 If required, Independent Counsel shall be selected as follows: (i) if a Change of Control shall not have occurred, Independent Counsel shall be selected by the Board, and the Corporation shall give written notice to Indemnitee advising him of the identity of Independent Counsel so selected or (ii) if a Change of Control shall have occurred, Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Board, in which event (i) shall apply), and Indemnitee shall give written notice to the Corporation advising it of the identity of Independent Counsel so selected. In either event, Indemnitee or the Corporation, as the case may be, may, within seven days after such written notice of selection shall have been given, deliver to the Corporation or to Indemnitee, as the case may be, a written objection to such selection. Such objection may be asserted only on the ground that Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 1 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. If such written objection is made, Independent Counsel so selected may not serve as Independent Counsel unless and until a court has determined that such objection is without merit. If, within 20 days after submission by Indemnitee of a written request for indemnification pursuant to Section 9.1 hereof, no Independent Counsel shall have been selected and not objected to, either the Corporation or Indemnitee may petition the Court of Chancery of the State of Delaware, or other court of competent jurisdiction, for resolution of any objection which shall have been made by the Corporation or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by such court or by such other person as such court shall designate, and the person with respect to whom an objection is so resolved or the person so appointed shall act as Independent Counsel under Section 9.2 hereof. The Corporation shall pay any and all reasonable fees and expenses of Independent Counsel incurred by such Independent Counsel in connection with its actions pursuant to this Agreement, and the Corporation shall pay all reasonable fees and expenses incident to the procedures of this Section 9.3, regardless of the manner in which such Independent Counsel was selected or appointed. Upon the due commencement date of any judicial proceeding or arbitration pursuant to Section 11.1(iii) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

10 Presumptions and Effects of Certain Proceedings.

10.1 If a Change of Control shall have occurred, in making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with

Section 9.1 of this Agreement, and the Corporation shall have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption.

10.2 If the person, persons or entity empowered or selected under Section 9 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within 60 days after receipt by the Corporation of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) prohibition of such indemnification under applicable law provided, however, that such 60-day period may be extended for a reasonable time, not to exceed an additional 30 days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith require(s) such additional time for the obtaining or evaluating of documentation and/or information relating thereto and provided, further, that the foregoing provisions of this Section 10.2 shall not apply (i) if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 9.2 of this Agreement and if (A) within 15 days after receipt by the Corporation of the request for such determination the Board has resolved to submit such determination to the stockholders for their consideration at an annual meeting thereof to be held within 75 days after such receipt and such determination is made thereat, or (B) a special meeting of stockholders is called within 15 days after such receipt for the purpose of making such determination, such meeting is held for such purpose within 60 days after having been so called and such determination is made thereat, or (ii) if the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 9.2 of this Agreement.

10.3 The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his conduct was unlawful.

11 Remedies of Indemnitee.

11.1 In the event that (i) a determination is made pursuant to Section 9 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 8 of this Agreement, (iii) the determination of indemnification is to be made by Independent Counsel pursuant to Section 9.2 of this Agreement and such determination shall not have been made and delivered in a written opinion within 90 days after receipt by the Corporation of the request for indemnification, (iv) payment of indemnification is not made pursuant to Section 7 of this Agreement within ten days after receipt by the Corporation of a written request therefor, or (v) payment of indemnification is not made within ten days after a determination has been made that Indemnitee is entitled to indemnification

or such determination is deemed to have been made pursuant to Section 9 or 10 of this Agreement, Indemnitee shall be entitled to an adjudication in an appropriate court of the State of Delaware, or in any other court of competent jurisdiction, of his entitlement to such indemnification or advancement of Expenses. Alternatively, the Indemnitee, at his option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 11.1. The Corporation shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

11.2 In the event that a determination shall have been made pursuant to Section 9 of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section shall be conducted in all respects as a de novo trial or arbitration on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination.

11.3 If a determination shall have been made or deemed to have been made pursuant to Section 9 or 10 of this Agreement that Indemnitee is entitled to indemnification, the Corporation shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) prohibition of such indemnification under applicable law.

11.4 The Corporation shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Corporation is bound by all the provisions of this Agreement.

11.5 In the event that Indemnitee, pursuant to this Section, seeks a judicial adjudication of, or an award in arbitration to enforce, his rights under, or to recover damages for breach of, this Agreement, Indemnitee shall be entitled to recover from the Corporation, and shall be indemnified by the Corporation against, any and all expenses (of the kinds described in the definition of Expenses) actually and reasonably incurred by him in such judicial adjudication or arbitration, but only if he prevails therein. If it shall be determined in such judicial adjudication or arbitration that Indemnitee is entitled to receive some but less than all of the indemnification or advancement of expenses sought, the expenses incurred by Indemnitee in connection with such judicial adjudication or arbitration shall be appropriately prorated.

12 Non-Exclusivity; Survival of Rights; Insurance; Subrogation.

12.1 The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the certificate of incorporation or by-laws of the Corporation, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or any provision hereof shall be effective as to any Indemnitee with respect to any action taken or omitted by such Indemnitee in his Corporate Status prior to such amendment, alteration or repeal.

12.2 To the extent that the Corporation maintains an insurance policy or policies providing liability insurance for directors, officers, employees, agents or fiduciaries of the Corporation or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which such person serves at the request of the Corporation, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer, employee, agent or fiduciary under such policy or policies.

12.3 In the event of any payment under this Agreement, the Corporation shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Corporation to bring suit to enforce such rights.

12.4 The Corporation shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

13 Duration of Agreement.

This Agreement shall continue until and terminate upon the later of: (a) ten years after the date that Indemnitee shall have ceased to serve as an officer of the Corporation, or (b) the final termination of all pending Proceedings in respect of which Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and or any proceeding commenced by Indemnitee pursuant to Section 11 of this Agreement. This Agreement shall be binding upon the Corporation and its successors and assigns and shall inure to the benefit of Indemnitee and his heirs, executors and administrators.

14 Severability.

If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (b) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

15 Exception to Right of Indemnification or Advancement of Expenses.

Except as provided in Section 11.5, Indemnitee shall not be entitled to indemnification or advancement of Expenses under this Agreement with respect to any Proceeding, or any claim therein, brought or made by him against the Corporation.

16 Identical Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement.

17 Headings.

The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

18 Modification and Waiver.

No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

19 Notice by Indemnatee.

Indemnatee agrees promptly to notify the Corporation in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating any Proceeding or matter which may be subject to indemnification or advancement of Expenses covered hereunder.

20 Notices.

All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and receipted for by the party to whom such notice or other communication shall have been directed, or (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed:

If to Indemnatee, to:

Brette Popper
522 West End Avenue, Apartment 15A
New York, New York 10024

If to the Corporation, to:

Individual Investor Group, Inc.
1633 Broadway, 38th Floor
New York, New York 10019

or to such other address or such other person as Indemnitee or the Corporation shall designate in writing in accordance with this Section, except that notices regarding changes in notices shall be effective only upon receipt.

21 Governing Law.

The parties agree that this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware.

22 Miscellaneous.

Use of the masculine pronoun shall be deemed to include usage of the feminine pronoun where appropriate.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

INDIVIDUAL INVESTOR GROUP, INC.

By: /s/ Jonathan Steinberg
Jonathan L. Steinberg
Chief Executive Officer

INDEMNITEE

/s/ Brette Popper
Brette Popper

INDEMNIFICATION AGREEMENT

This Agreement, made and entered into as of the 14th day of September, 1998 ("Agreement"), by and between Individual Investor Group, Inc., a Delaware corporation ("Corporation"), and Gregory E. Barton ("Indemnitee"):

WHEREAS, highly competent persons recently have become more reluctant to serve publicly-held corporations as directors, officers, or in other capacities, unless they are provided with better protection from the risk of claims and actions against them arising out of their service to and activities on behalf of such corporation; and

WHEREAS, the current impracticability of obtaining adequate insurance and the uncertainties related to indemnification have increased the difficulty of attracting and retaining such persons; and

WHEREAS, the Board of Directors of the Corporation ("Board") has determined that the inability to attract and retain such persons is detrimental to the best interests of the Corporation's stockholders and that such persons should be assured that they will have better protection in the future; and

WHEREAS, it is reasonable, prudent and necessary for the Corporation to obligate itself contractually to indemnify such persons to the fullest extent permitted by applicable law so that such persons will serve or continue to serve the Corporation free from undue concern that they will not be adequately indemnified; and

WHEREAS, this Agreement is a supplement to and in furtherance of Article VIII of the By-laws of the Corporation, and Article VIII of the Amended and Restated Certificate of Incorporation of the Corporation and any resolutions adopted pursuant thereto and shall neither be deemed to be a substitute therefor nor to diminish or abrogate any rights of Indemnitee thereunder; and

WHEREAS, Indemnitee is willing to serve and to take on additional service for or on behalf of the Corporation on the condition that he be indemnified according to the terms of this Agreement;

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Corporation and Indemnitee do hereby covenant and agree as follows:

1 Definitions.

For purposes of this Agreement:

1.1 "Change in Control" means a change in control of the Corporation occurring after the date hereof of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or in response to any similar item on any similar schedule or form) promulgated under the Securities Exchange Act of 1934, as amended ("Act"), whether or not the Corporation is then subject to such reporting requirement provided,

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however, that, without limitation, such a Change in Control shall be deemed to have occurred if after the date hereof (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Act) is or becomes "beneficial owner" (as defined in Rule 13d-3 under the Act), directly or indirectly, of securities of the Corporation representing 20% or more of the combined voting power of the then outstanding securities of the Corporation without the prior approval of at least two-thirds of the members of the Board in office immediately prior to such person attaining such percentage interest; (ii) the Corporation is a party to a merger, consolidation, sale of assets or other reorganization, or a proxy contest, as a consequence of which members of the Board in office immediately prior to such transaction or event constitute less than a majority of the Board thereafter; or (iii) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board (including for this purpose any new director whose election or nomination for election by the Corporation's stockholders was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of such period) cease for any reason to constitute at least a majority of the Board.

1.2 "Corporate Status" means the status of a person who is or was a director, officer, employee, agent or fiduciary of the Corporation or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which such person is or was serving at the request of the Corporation.

1.3 "Disinterested Director" means a director of the Corporation who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

1.4 "Expenses" means all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing

to prosecute or defend, investigating, or being or preparing to be a witness in a Proceeding.

1.5 "Independent Counsel" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Corporation or Indemnatee in any other matter material to either such party, or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Corporation or Indemnatee in an action to determine Indemnatee's rights under this Agreement.

1.6 "Proceeding" means any action, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing or any other proceeding, whether civil, criminal, administrative or investigative, except one initiated by an Indemnatee pursuant to Section 11 of this Agreement to enforce his rights under this Agreement.

2 Services by Indemnatee.

Indemnatee agrees to serve as Vice President of Business and Legal Affairs and General Counsel of the Corporation. Indemnatee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by operation of law).

3 Indemnification - General.

The Corporation shall indemnify, and advance Expenses to, Indemnitee as provided in this Agreement to the fullest extent permitted by applicable law in effect on the date hereof and to such greater extent as applicable law may thereafter from time to time permit. The rights of Indemnitee provided under the preceding sentence shall include, but shall not be limited to, the rights set forth in the other Sections of this Agreement.

4 Proceedings Other Than Proceedings by or in the Right of the Corporation.

Indemnitee shall be entitled to the rights of indemnification provided in this Section if, by reason of his Corporate Status, he is, or is threatened to be made, a party to any threatened, pending or completed Proceeding, other than a Proceeding by or in the right of the Corporation. Pursuant to this Section, Indemnitee shall be indemnified against Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or on his behalf in connection with any such Proceeding or any claim, issue or matter therein, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal Proceeding, had no reasonable cause to believe his conduct was unlawful.

5 Proceedings by or in the Right of the Corporation.

Indemnitee shall be entitled to the rights of indemnification provided in this Section if, by reason of his Corporate Status, he is, or is threatened to be made, a party to any threatened, pending or completed Proceeding brought by or in the right of the Corporation to procure a judgment in its favor. Pursuant to this Section, Indemnitee shall be indemnified against Expenses actually and reasonably incurred by him or on his behalf in connection with any such Proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation. Notwithstanding the foregoing, no indemnification against such Expenses shall be made in respect of any claim, issue or matter in any such proceeding as to which Indemnitee shall have been adjudged to be liable to the Corporation if applicable law prohibits such indemnification unless the Court of Chancery of the State of Delaware, or the court in which such Proceeding shall have been brought or is pending, shall determine that indemnification against Expenses may nevertheless be made by the Corporation.

6 Indemnification for Expenses of Party Who is Wholly or Partly Successful.

Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his Corporate Status, a party to and is successful, on the merits or otherwise, in any Proceeding, he shall be indemnified against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Corporation shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or on his behalf in connection with each successfully resolved claim, issue or matter. For the purposes of this Section and without limiting the foregoing,

the termination of any claim, issue or matter in any such Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

7 Indemnification for Expenses as a Witness.

Notwithstanding any other provision of this Agreement, to the extent that Indemnatee is, by reason of his Corporate Status, a witness in any Proceeding, he shall be indemnified against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith.

8 Advancement of Expenses.

The Corporation shall advance all Expenses incurred by or on behalf of Indemnatee in connection with any Proceeding within twenty days after the receipt by the Corporation of a statement or statements from Indemnatee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnatee and shall include or be preceded or accompanied by an undertaking by or on behalf of Indemnatee to repay any Expenses advanced if it shall ultimately be determined that Indemnatee is not entitled to be indemnified against such Expenses.

9 Procedure for Determination of Entitlement to Indemnification.

9.1 To obtain indemnification under this Agreement in connection with any Proceeding, and for the duration thereof, Indemnatee shall submit to the Corporation a written request, including therein or therewith such documentation and information as is reasonably available to Indemnatee and is reasonably necessary to determine whether and to what extent Indemnatee is entitled to indemnification. The Secretary of the Corporation shall, promptly upon receipt of any such request for indemnification, advise the Board in writing that Indemnatee has requested indemnification.

9.2 Upon written request by Indemnatee for indemnification pursuant to Section 9.1 hereof, a determination, if required by applicable law, with respect to Indemnatee's entitlement thereto shall be made in such case: (i) if a Change in Control shall have occurred, by Independent Counsel (unless Indemnatee shall request that such determination be made by the Board or the stockholders, in which case in the manner provided for in clauses (ii) or (iii) of this Section 9.2) in a written opinion to the Board, a copy of which shall be delivered to Indemnatee); (ii) if a Change of Control shall not have occurred, (A) by the Board by a majority vote of a quorum consisting of Disinterested Directors, or (B) if a quorum of the Board consisting of Disinterested Directors is not obtainable, or even if such quorum is obtainable, if such quorum of Disinterested Directors so directs, either (x) by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnatee, or (y) by the stockholders of the Corporation, as determined by such quorum of Disinterested Directors, or a quorum of the Board, as the case may be; or (iii) as provided in Section 10.2 of this Agreement. If it is so determined that Indemnatee is entitled to indemnification, payment to Indemnatee shall be made within ten (10) days after such determination. Indemnatee shall cooperate with the person, persons or entity making such determination with respect to Indemnatee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from

disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Corporation (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Corporation hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

9.3 If required, Independent Counsel shall be selected as follows: (i) if a Change of Control shall not have occurred, Independent Counsel shall be selected by the Board, and the Corporation shall give written notice to Indemnitee advising him of the identity of Independent Counsel so selected or (ii) if a Change of Control shall have occurred, Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Board, in which event (i) shall apply), and Indemnitee shall give written notice to the Corporation advising it of the identity of Independent Counsel so selected. In either event, Indemnitee or the Corporation, as the case may be, may, within seven days after such written notice of selection shall have been given, deliver to the Corporation or to Indemnitee, as the case may be, a written objection to such selection. Such objection may be asserted only on the ground that Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 1 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. If such written objection is made, Independent Counsel so selected may not serve as Independent Counsel unless and until a court has determined that such objection is without merit. If, within 20 days after submission by Indemnitee of a written request for indemnification pursuant to Section 9.1 hereof, no Independent Counsel shall have been selected and not objected to, either the Corporation or Indemnitee may petition the Court of Chancery of the State of Delaware, or other court of competent jurisdiction, for resolution of any objection which shall have been made by the Corporation or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by such court or by such other person as such court shall designate, and the person with respect to whom an objection is so resolved or the person so appointed shall act as Independent Counsel under Section 9.2 hereof. The Corporation shall pay any and all reasonable fees and expenses of Independent Counsel incurred by such Independent Counsel in connection with its actions pursuant to this Agreement, and the Corporation shall pay all reasonable fees and expenses incident to the procedures of this Section 9.3, regardless of the manner in which such Independent Counsel was selected or appointed. Upon the due commencement date of any judicial proceeding or arbitration pursuant to Section 11.1(iii) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

10 Presumptions and Effects of Certain Proceedings.

10.1 If a Change of Control shall have occurred, in making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 9.1 of this Agreement, and the Corporation shall have the burden of proof to overcome that presumption in connection with the making by any

person, persons or entity of any determination contrary to that presumption.

10.2 If the person, persons or entity empowered or selected under Section 9 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within 60 days after receipt by the Corporation of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) prohibition of such indemnification under applicable law provided, however, that such 60-day period may be extended for a reasonable time, not to exceed an additional 30 days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith require(s) such additional time for the obtaining or evaluating of documentation and/or information relating thereto and provided, further, that the foregoing provisions of this Section 10.2 shall not apply (i) if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 9.2 of this Agreement and if (A) within 15 days after receipt by the Corporation of the request for such determination the Board has resolved to submit such determination to the stockholders for their consideration at an annual meeting thereof to be held within 75 days after such receipt and such determination is made thereat, or (B) a special meeting of stockholders is called within 15 days after such receipt for the purpose of making such determination, such meeting is held for such purpose within 60 days after having been so called and such determination is made thereat, or (ii) if the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 9.2 of this Agreement.

10.3 The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his conduct was unlawful.

11 Remedies of Indemnitee.

11.1 In the event that (i) a determination is made pursuant to Section 9 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 8 of this Agreement, (iii) the determination of indemnification is to be made by Independent Counsel pursuant to Section 9.2 of this Agreement and such determination shall not have been made and delivered in a written opinion within 90 days after receipt by the Corporation of the request for indemnification, (iv) payment of indemnification is not made pursuant to Section 7 of this Agreement within ten days after receipt by the Corporation of a written request therefor, or (v) payment of indemnification is not made within ten days after a

determination has been made that Indemnatee is entitled to indemnification or such determination is deemed to have been made pursuant to Section 9 or 10 of this Agreement, Indemnatee shall be entitled to an adjudication in an appropriate court of the State of Delaware, or in any other court of competent jurisdiction, of his entitlement to such indemnification or advancement of Expenses. Alternatively, the Indemnatee, at his option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the rules of the American Arbitration Association. Indemnatee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnatee first has the right to commence such proceeding pursuant to this Section 11.1. The Corporation shall not oppose Indemnatee's right to seek any such adjudication or award in arbitration.

11.2 In the event that a determination shall have been made pursuant to Section 9 of this Agreement that Indemnatee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section shall be conducted in all respects as a de novo trial or arbitration on the merits and Indemnatee shall not be prejudiced by reason of that adverse determination.

11.3 If a determination shall have been made or deemed to have been made pursuant to Section 9 or 10 of this Agreement that Indemnatee is entitled to indemnification, the Corporation shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section, absent (i) a misstatement by Indemnatee of a material fact, or an omission of a material fact necessary to make Indemnatee's statement not materially misleading, in connection with the request for indemnification, or (ii) prohibition of such indemnification under applicable law.

11.4 The Corporation shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Corporation is bound by all the provisions of this Agreement.

11.5 In the event that Indemnatee, pursuant to this Section, seeks a judicial adjudication of, or an award in arbitration to enforce, his rights under, or to recover damages for breach of, this Agreement, Indemnatee shall be entitled to recover from the Corporation, and shall be indemnified by the Corporation against, any and all expenses (of the kinds described in the definition of Expenses) actually and reasonably incurred by him in such judicial adjudication or arbitration, but only if he prevails therein. If it shall be determined in such judicial adjudication or arbitration that Indemnatee is entitled to receive some but less than all of the indemnification or advancement of expenses sought, the expenses incurred by Indemnatee in connection with such judicial adjudication or arbitration shall be appropriately prorated.

12 Non-Exclusivity; Survival of Rights; Insurance; Subrogation.

12.1 The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnatee may at any time be entitled under applicable law, the certificate of incorporation or by-laws of the Corporation, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or any provision hereof shall be effective as to any Indemnatee with respect to any action taken or omitted by such Indemnatee in his Corporate Status prior to such amendment, alteration or repeal.

12.2 To the extent that the Corporation maintains an insurance policy or policies providing liability insurance for directors, officers, employees, agents or fiduciaries of the Corporation or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which such person serves at the request of the Corporation, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer, employee, agent or fiduciary under such policy or policies.

12.3 In the event of any payment under this Agreement, the Corporation shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Corporation to bring suit to enforce such rights.

12.4 The Corporation shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

13 Duration of Agreement.

This Agreement shall continue until and terminate upon the later of: (a) ten years after the date that Indemnitee shall have ceased to serve as an officer of the Corporation, or (b) the final termination of all pending Proceedings in respect of which Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and or any proceeding commenced by Indemnitee pursuant to Section 11 of this Agreement. This Agreement shall be binding upon the Corporation and its successors and assigns and shall inure to the benefit of Indemnitee and his heirs, executors and administrators.

14 Severability.

If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (b) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

15 Exception to Right of Indemnification or Advancement of Expenses.

Except as provided in Section 11.5, Indemnitee shall not be entitled to indemnification or advancement of Expenses under this Agreement with respect to any Proceeding, or any claim therein, brought or made by him against the Corporation.

16 Identical Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement.

17 Headings.

The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

18 Modification and Waiver.

No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

19 Notice by Indemnatee.

Indemnatee agrees promptly to notify the Corporation in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating any Proceeding or matter which may be subject to indemnification or advancement of Expenses covered hereunder.

20 Notices.

All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and receipted for by the party to whom such notice or other communication shall have been directed, or (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed:

If to Indemnatee, to:

Gregory E. Barton
22 East 36th Street, Apartment 3D
New York, New York 10016

If to the Corporation, to:

Individual Investor Group, Inc.
1633 Broadway, 38th Floor
New York, New York 10019

or to such other address or such other person as Indemnitee or the Corporation shall designate in writing in accordance with this Section, except that notices regarding changes in notices shall be effective only upon receipt.

21 Governing Law.

The parties agree that this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware.

22 Miscellaneous.

Use of the masculine pronoun shall be deemed to include usage of the feminine pronoun where appropriate.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

INDIVIDUAL INVESTOR GROUP, INC.

By: /s/ Jonathan Steinberg
Jonathan L. Steinberg
Chief Executive Officer

INDEMNITEE

/s/ Gregory Barton
Gregory E. Barton

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED BALANCE SHEETS AND CONSOLIDATED STATEMENTS OF OPERATIONS FOUND ON PAGES 3 AND 4 OF THE COMPANY'S FORM 10-Q FOR THE YEAR-TO-DATE, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

0000880631
INDIVIDUAL INVESTOR GROUP, INC.

	9-MOS	DEC-31-1998	JAN-01-1998	SEP-30-1998
		4,657,987	518,392	2,848,535
		0	336,964	0
	8,728,362	1,288,802	869,273	10,156,798
	0	0	3,201,953	0
	0	0	0	0
		84,908	4,621,375	10,156,798
		11,663,214	11,663,214	8,687,742
		17,603,401	0	0
		0	0	0
		(5,834,162)	0	(5,834,162)
		(781,370)	0	0
		0	0	0
		(6,615,532)	(0.86)	(0.86)