

SCHEDULE 13D

Under the Securities Exchange Act of 1934  
(Amendment No. 6)\*

Individual Investor Group, Inc.  
(Name of Issuer)

Common Stock, \$.01 par value  
(Title Class of Securities)

455907105  
(CUSIP Number)

Michael Kaplan, Esq.  
c/o Individual Investor Group, Inc.  
1633 Broadway, 38th Floor, New York, NY 10019  
(Name, Address and Telephone Number of Person Authorized to Receive Notices  
and Communications)

December 31, 1997  
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box .

Note: Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) for other parties to whom copies are to be sent.

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

SCHEDULE 13D

CUSIP No. 455907105

Page 2 of 7 Pages

1 NAME OF REPORTING PERSON  
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY)

Jonathan L. Steinberg

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\* (a)   
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS\*

N/A

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO  
ITEMS 2(d) OR 2(e)

United States of America

	7	SOLE VOTING POWER
		1,882,968 shares of Common Stock
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8	SHARED VOTING POWER
		-0-
	9	SOLE DISPOSITIVE POWER
		1,882,968 shares of Common Stock
	10	SHARED DISPOSITIVE POWER
		-0-
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	
	1,882,968 shares of Common Stock	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)	
	24.8%	
14	TYPE OF REPORTING PERSON*	
	IN	

\*SEE INSTRUCTIONS BEFORE FILLING OUT!  
 INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7  
 (INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION.

Item 1. Security and Issuer.

This statement relates to the Common Stock, par value \$.01 per share ("Common Stock"), of Individual Investor Group, Inc. ("Company"), whose principal executive offices are located at 1633 Broadway, 38th Floor, New York, New York 10019.

Item 2. Identity and Background.

No change.

Item 3. Source and Amount of Funds or Other Consideration.

Item 3 is amended to add the following:

The aggregate purchase price of \$3,250,000 used to acquire the 521,291 shares of Common Stock by Wise Partners, L.P. on June 30, 1997 and on December 31, 1997 was funded by the bank financing discussed in Item 6.

Item 4. Purpose of Transaction.

Item 4 is amended to add the following:

Mr. Steinberg, as the general partner of Wise Partners, L.P., has determined that the shares of Common Stock acquired by the partnership will be held for investment purposes.

Item 5. Interest in Securities of the Issuer.

Item 5 is amended to add the following:

As of the date of this Amendment No. 6, Mr. Steinberg beneficially owns 1,882,968 shares of Common Stock, which represents 24.8% of the outstanding Common Stock of the Company. Of the 1,882,968 shares of Common Stock, 900,010 shares of Common Stock are owned of record by Mr. Steinberg, 521,291 shares of Common Stock are owned of record by Wise Partners, L.P. and are beneficially owned by Mr. Steinberg and 461,667 shares of Common Stock are subject to options currently exercisable by Mr. Steinberg.

Wise Partners, L.P. is a limited partnership organized and existing under the laws of the State of Delaware. Mr. Steinberg is the sole General Partner of Wise Partners, L.P. and as such has the power to direct the vote and disposition of the 521,291 shares of Common Stock owned by Wise Partners, L.P. Of the 521,291 shares of Common Stock, 489,795 shares of Common Stock were purchased by Wise Partners, L.P. on December 31, 1997, at a price per share equal to \$6.125 (the closing ask price of the Common Stock as reported by the Nasdaq Stock Market on December 30, 1997), and 31,496 shares of Common Stock were purchased by Wise Partners L.P., on June 30, 1997, at a price per share of \$7.93. All the shares of Common Stock were purchased directly from the Company in a transactions exempt from the registration requirements of the Securities Act of 1933, as amended, pursuant to Section 4(2). Mr. Saul

3 of 7

Steinberg, the father of Mr. Steinberg, the reporting person, is a limited partner of Wise Partners, L.P. and the only other person known to have the right to receive dividends or proceeds from the sale of the 521,291 shares of Common Stock owned of record by Wise Partners, L.P.

Of the 1,882,968 shares of Common Stock being reported as beneficially owned by Mr. Steinberg in this Amendment No. 6, 461,667 shares of Common Stock are subject to the terms of a Stock Option Agreement dated May 9, 1997 issued by the Company to Mr. Steinberg. That agreement governs three series of options as follows:

(A) The right to purchase an aggregate of 500,000 shares of Common Stock as follows: 125,000 shares of Common Stock may be purchased on or after April 7, 1996 at a purchase price of \$4.9375 per share; an additional 125,000 shares of Common Stock may be purchased on or after April 7, 1997 at a purchase price of \$4.9375 per share; an additional 125,000 shares of Common Stock may be purchased on or after April 7, 1998 at a purchase price of \$6.25 per share; and an additional 125,000 shares of Common Stock may be purchased on or after April 7, 1999 at a purchase price of \$7.50 per share. As of the date of this Amendment No. 6, Mr. Steinberg currently has the right to acquire 375,000 shares of Common Stock. The right to purchase the above shares of Common Stock expires on April 6, 2004, unless earlier terminated pursuant to the terms of the option.

(B) The right to purchase an aggregate of 80,000 shares of Common Stock as follows: 26,667 shares of Common Stock may be purchased on or after June 23, 1996; an additional 26,667 shares of Common Stock may be purchased on or after June 23, 1997; and an additional 26,666 shares of Common Stock may be purchased on or after June 23, 1998. The exercise price is \$5.75 per share. As of the date of this Amendment No. 6, Mr. Steinberg currently has the right to acquire 53,334 shares of Common Stock. The right to purchase the above shares of Common Stock expires on June 23, 2005, unless earlier terminated pursuant to the terms of the option.

(C) The right to purchase an aggregate of 100,000 shares of Common Stock as follows: 33,333 shares of Common Stock may be purchased on or after November 4, 1997; 33,333 shares of Common Stock may be purchased on or after November 4, 1998; and 33,334 shares of Common Stock may be purchased on or after November 4, 1999. The exercise price is \$7.50 per share. As of the date of this Amendment No. 6, Mr. Steinberg currently has the right to acquire 33,333 shares of Common Stock. The right to purchase the above shares of Common Stock expires on November 4, 2006, unless earlier terminated pursuant to the terms of the option.

Except as otherwise disclosed herein, no transactions in the shares of Common Stock have been effected by Mr.. Steinberg in the past 60 days.

4 of 7

Item 6. Contracts, Arrangements, Undertakings or Relationships with Respect to Securities of the Issuer.

Item 6 is hereby amended to delete the sixth paragraph of the item as set forth in Amendment #4 to this Schedule 13D and in its place is substituted the following:

On December 31, 1997, Wise Partners, L.P. entered into a

Demand Grid Note ("1997 Note") and Guaranty and Security Agreement ("1997 Security Agreement") with Republic National Bank of New York ("Republic"). The 1997 Note permits Wise Partners, L.P. to borrow, from time to time, an aggregate of \$9,000,000. Interest is payable on the unpaid principal of the 1997 Note, monthly, in arrears at the reference rate of Republic, and the principal is payable upon demand by Republic. As partial security for the 1997 Note, pursuant to the 1997 Security Agreement, Mr. Steinberg pledged an aggregate of 55,000 shares of Common Stock of the Company owned of record by him. In addition, under the 1997 Security Agreement, Republic would have the right to foreclose upon the 845,000 shares of Common Stock owned of record by him and previously pledged to Republic by Mr. Steinberg under the 1994 Note (previously defined) and 1994 Security Agreement (previously defined). In the event of default under the 1997 Note and 1997 Security Agreement, Republic may exercise all the voting rights and foreclose upon and publicly or privately sell the shares of Common Stock pledged by Mr. Steinberg.

Item 6 is hereby amended to delete the third paragraph of the item set forth in Amendment #3 and the third paragraph of the item set forth in Amendment #4 of this Schedule 13D.

Item 7. Material to be Filed as Exhibits.

- (10.1) Stockholder Agreement, dated as of January 1, 1989, among the Company, Mr. Steinberg, Mr. Jonathan Tisch, Mr. Saul Steinberg and certain other stockholders of the Company.\*
- (10.2) Stock Purchase Agreement, dated August 7, 1991, among the Company, Mr. Jonathan Tisch and Mr. Steinberg.\*
- (10.3) Demand Grid Note, dated December 16, 1994, between Mr. Steinberg and Republic National Bank of New York.\*
- (10.4) Continuing General Security Agreement, dated December 16, 1994, between Mr. Steinberg and Republic National Bank of New York.\*
- (10.5) Stock Purchase Agreement, dated June 30, 1997, between the Company and Wise Partners, L.P. (Incorporated by reference from Exhibit 10.3 of the Quarterly Report on Form 10-QSB for the period ended June 30, 1997 of the Company.)+
- (10.6) Stock Purchase Agreement, dated December 30, 1997, between the Company and Wise Partners, L.P.+

5 of 7

- (10.7) Form of Stock Option Agreement, dated May 9, 1997, between the Company and Mr. Steinberg. (Incorporated by reference from Exhibit 10.4 of the Quarterly Report on Form 10-QSB for the period ended June 30, 1997 of the Company.)+
- (10.8) Demand Grid Note, dated December 31, 1997, between Wise Partners, L.P. and Republic National Bank of New York.+
- (10.9) Guaranty and Security Agreement, dated December 31, 1997, between Wise Partners, L.P. and Republic National Bank of New York +

- -----  
\* Previously filed.  
+ Filed herewith.

6 of 7

SIGNATURE

After a reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true complete, and correct.

Dated: January 13, 1998

/s/ Jonathan L. Steinberg



This STOCK PURCHASE AGREEMENT, dated as of December 31, 1997 (the "Agreement"), is between INDIVIDUAL INVESTOR GROUP, INC., a Delaware corporation (the "Company"), and WISE PARTNERS, L.P., a Limited Partnership organized and existing under the laws of the State of Delaware (the "Buyer").

1. PURCHASE AND SALE. Subject to the terms and conditions herein set forth, the Company hereby sells and delivers to Buyer and Buyer hereby purchases from the Company, for an aggregate purchase price of Three Million Dollars (\$3,000,000), an aggregate of Four Hundred Eighty-Nine Thousand Seven Hundred Ninety-Five (489,795) shares (the "Shares") of the Company's common stock, \$.01 par value per share (the "Common Stock"). The Company will deliver to Buyer, within Thirty (30) days of the effective date of this Agreement, stock certificates representing the Shares indicating the Buyer as the sole owner of the Shares. The Buyer hereby makes payment to the Company, by delivery of a bank check or certified check payable to the order of the Company or by wire transfer to an account designated by the Company, in the amount of Three Million Dollars (\$3,000,000).

2. REPRESENTATIONS AND COVENANTS OF THE COMPANY. The Company hereby represents and warrants to and covenants with Buyer as follows:

2.1 Organization. The Company is duly organized, validly existing and in good standing in the State of Delaware.

2.2 Authority; Execution and Delivery, Etc. The execution, delivery, and performance of this Agreement has been duly authorized by the Company's Board of Directors and no other corporate proceedings on the part of the Company or its stockholders are required. This Agreement has been duly executed and delivered by the Company and constitutes the legal, valid, and binding obligation of the Company enforceable against the Company in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' rights in general or general principles of equity. The Shares have been duly authorized and are legally and validly issued, fully paid and non-assessable. The Company hereby conveys marketable title to the Shares to the Buyer, free and clear of all liens and encumbrances.

3. REPRESENTATIONS OF BUYER. Buyer hereby represents and warrants to the Company as follows:

(a) Buyer is a Limited Partnership organized and existing in good standing under the laws of the State of Delaware and Jonathan Steinberg, an individual residing in the State of New York, is the sole General Partner of Buyer.

(b) Buyer is aware that its investment involves a substantial degree of risk, including, but not limited to the following: (i) the Company has had substantial operating losses for the fiscal years ended December 31, 1996 and December 31, 1997, and expects to continue to incur losses in the future; (ii) the Company has experienced and will continue to experience substantial fluctuations in its operating income (loss) from quarter to quarter and year to year; (iii) the Company may need additional financing in the future to fund operating losses; (iv) management and the existing principal stockholders of the Company beneficially own a substantial amount of the outstanding voting stock of the Company and accordingly are in a position to substantially influence the election of all directors of the Company and the vote on matters requiring stockholder approval; (v) the Company's success will to a significant extent rely upon the continued services and abilities of Jonathan Steinberg, who is the Chairman and Chief

Executive Officer of the Company. Buyer acknowledge and is aware that there is no assurance as to the future performance of the Company.

(c) Buyer is purchasing the Shares for his own account for investment and not with a view to or in connection with a distribution of the Shares, nor with any present intention of selling or otherwise disposing of all or any part of the Shares, except as contemplated in Section 5.1 below. Subject to Section 5.1 below, Buyer agrees that Buyer must bear the economic risk of its investment because, among other reasons, the Shares have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or under the securities laws of any state and, therefore, cannot be resold, pledged, assigned, or otherwise disposed of until they are registered under the Securities Act and under applicable securities laws of certain states or an exemption from such registration is available.

Promptly upon Buyer's request, after the expiration of the two-year holding period provided for in the SEC's Rule 144(k), provided that Buyer is not then and for three months prior thereto has not been, an affiliate of the Company within the meaning of the SEC's Rule 144(a), the Company will exchange the Buyer's stock certificate (legended as aforesaid) for a new certificate with no restrictive legends thereon, suitable for transfer in the public securities markets, subject to the Buyer's providing the Company with such usual and customary representations in connection therewith as the Company may reasonably request.

(d) Buyer has the financial ability to bear the economic risk of its investment in the Company (including its complete loss), has adequate means for providing for its current needs and personal contingencies and has no need for liquidity with respect to its investment in the Company.

(e) Buyer has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Company and Buyer has obtained, in its judgment, sufficient information from the Company to evaluate the merits and risks of an investment in the Company. Buyer has had full opportunity to ask questions and receive satisfactory answers concerning all matters pertaining to its investment and all such questions have been answered to its full satisfaction. Buyer has been provided an opportunity to obtain any additional information concerning the Company and all other information to the extent the Company possesses such information or can acquire it without unreasonable effort or expense. Buyer has received no representation or warranty from the Company with respect to its investment in the Company, and has relied solely upon its own investigation in making a decision to invest in the Company.

(f) Buyer is an "accredited investor" as defined in Section 2(15) of the Securities Act and in Rule 501 promulgated thereunder.

(g) This Agreement has been duly executed and delivered by Buyer and constitutes the legal, valid, and binding obligation of the Buyer enforceable against the Buyer in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' rights in general or general principles of equity.

2

#### 4. RESTRICTIONS ON TRANSFER.

4.1 Restrictions on Transfer. Buyer agrees that it will not sell, transfer, or otherwise dispose of any of the Shares, except pursuant to an effective registration statement under the Securities Act or an exemption from the registration requirements of the Securities Act and the Company has received an opinion of counsel satisfactory to the Company that such exemption is available.

4.2 Legend. Each certificate for the Shares shall bear the following legend:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND MAY BE SOLD OR OTHERWISE TRANSFERRED ONLY IF SO REGISTERED OR IF AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE AND THE CORPORATION HAS RECEIVED AN OPINION OF COUNSEL SATISFACTORY TO THE CORPORATION THAT SUCH EXEMPTION IS AVAILABLE."

#### 5. REGISTRATION RIGHTS.

5.1 Piggyback Registration. From the date of this agreement until the second anniversary thereof, if the Company proposes to file a registration statement under the Securities Act with respect to an offering for its own account of any class of security (other than a registration statement on Form S-4 or S-8 or successor forms thereto or filed in connection with an exchange offer or business combination or an offering of securities solely to the Company's existing stockholders), then the Company shall in each case give written notice of such proposed filing to the Buyer at least thirty days before the anticipated filing date, and such notice shall offer the Buyer the opportunity to register such number of shares of Common Stock of the Company as the Buyer may request. Upon the written request of the Buyer made within twenty days of receipt of such notice, the Company shall use its best efforts to cause the managing underwriter or underwriters of a proposed underwritten offering to permit the Buyer to include such shares in such offering on the same

terms and conditions as any shares of Common Stock of the Company included therein. Notwithstanding the foregoing, if the managing underwriter or underwriters of such offering delivers a written opinion to the Buyer that the total number of shares which it, the Company and any other persons or entities intend to include in such offering may adversely affect the success or offering price of such offering, then the number of shares to be offered for the account of the Buyer shall be reduced pro rata to the extent necessary to reduce the total amount of securities to be included in such offering to the amount recommended by such managing underwriter (or, if applicable, excluding such shares entirely), provided that if shares are being offered for the account of other persons or entities as well as the Company, such reduction shall not represent a greater fraction of the number of shares intended to be offered by the Buyer than the fraction of similar reductions imposed on such other persons or entities other than the Company over the amount of securities they intended to offer. In the event that the registration proposed by the Company is an underwritten primary offering of its securities and the Buyer does not sell its securities to the underwriter of the Company's securities in connection with such offering, the Buyer shall, to the extent permitted by applicable law or regulation, refrain from selling any of its securities during the period of distribution of the

3

Company's securities by such underwriter in the primary offering and the period in which the underwriter participates in the aftermarket and for such additional period requested by the underwriter, provided, however, that the Buyer shall, in any event, be entitled to sell its securities in connection with such registration statement commencing on the 90th day after the effective date of such registration statement.

5.2 Blue Sky. In connection with the registration of its securities pursuant to Section 5.1, the Company shall use all reasonable efforts to register and qualify its securities covered by such registration statement under such securities or Blue Sky laws of such jurisdictions within the United States as the Buyer shall reasonably request and do any and all such other acts and things as may be reasonably necessary or advisable to enable the Buyer to consummate the disposition in such jurisdictions of the securities held by the Buyer; provided that the Company shall not be required to consent to general service of process, to qualify, to do business or subject itself to tax liability in any jurisdiction in which it has not, as of the effective date of such registration, qualified to do business.

5.3 Expenses. All expenses in connection with registrations of the Shares shall be borne by the Company except for underwriting discounts and commissions, applicable transfer taxes, expenses associated with blue sky registrations requested by Buyer pursuant to Section 5.2, and expenses of counsel to the Buyer, which shall be borne by the Buyer.

5.4 Indemnification.

(a) Subject to the conditions set forth below, the Company agrees to indemnify and hold harmless the Buyer, its General Partner, limited partners, and its affiliates and each of their officers, directors, trustees, agents and employees and each person, if any, who controls the Buyer ("Controlling Person") within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act against any and all loss, liability, claim, damage and expense whatsoever (including but not limited to any and all legal or other expenses reasonably incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever) to which it may become subject under the Securities Act, the Securities Exchange Act of 1934, as amended ("Exchange Act") or any other statute or at common law or otherwise, arising out of or based upon any untrue statement or alleged untrue statement of a material fact contained in any registration statement (a "Registration Statement") in which the Buyer's securities shall be included or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, unless such statement or omission was made in reliance upon and in conformity with written information furnished to the Company with respect to the Buyer by the Buyer expressly for use in the Registration Statement. The Company agrees promptly to notify the Buyer of the commencement of any litigation or proceedings against the Company or any of its officers, directors or controlling persons in connection with the issue and sale of the Shares in connection with the Registration Statement.

(b) If any action is brought against the Buyer in respect of which indemnity may be sought against the Company pursuant to Section 5, Buyer shall promptly notify the Company in writing of the institution of such action and the Company shall assume the defense of such action, including the employment and fees of counsel (subject to the approval



of Buyer) and payment of actual expenses. Buyer shall have the right to employ its own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of Buyer unless (i) the employment of such counsel shall have been authorized in writing by the Company in connection with the defense of such action, or (ii) the Company shall not have employed counsel to have charge of the defense of such action, or (iii) the Buyer shall have reasonably concluded that there may be defenses available to it which are different from or additional to those available to the Company (in which case the Company shall not have the right to direct the defense of such action on behalf of the Buyer), in any of which events the fees and expenses of not more than one additional firm of attorneys selected by Buyer and/or controlling person shall be borne by the Company. Notwithstanding anything to the contrary contained herein, if Buyer shall assume the defense of such action as provided above, the Company shall have the right to approve the terms of any settlement of such action which approval shall not be unreasonably withheld.

(c) Buyer agrees to indemnify and hold harmless each of the Company, its directors, officers and employees and any underwriter (as defined in the Securities Act) and each Controlling Person of the Company, against any and all loss, liability, claim, damage and expense described in the foregoing indemnity from the Company to Buyer, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions directly relating to Buyer in the Registration Statement, and in strict conformity with, written information furnished to the Company by Buyer expressly for use in the Registration Statement. In case any action shall be brought against the Company or any other person so indemnified based on the Registration Statement, and in respect of which indemnity may be sought against Buyer, Buyer shall have the rights and duties given to the Company, and the Company and each other person so indemnified shall have the rights and duties given to Buyer by the provisions of paragraph (b) above.

#### 5.5 Contribution.

(a) In order to provide for just and equitable contribution under the Securities Act in any case in which (i) any person entitled to indemnification under this Section 5 makes claim for indemnification pursuant hereto but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case notwithstanding the fact that this Section 5 provides for indemnification in such case, or (ii) contribution under the Securities Act, the Exchange Act, or otherwise may be required on the part of any such person in circumstances for which indemnification is provided under this Section 5, then, and in each such case, the Company and Buyer shall contribute, in proportion to their relative fault, to the aggregate losses, liabilities, claims, damages and expenses of the nature contemplated by said indemnity agreement incurred by the Company and Buyer, as incurred; provided, that, no person guilty of a fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(b) Within fifteen days after receipt by any party to this Agreement (or its representative) of notice of the commencement of any action, suit or proceeding, such party will, if a claim for contribution in respect thereof is to be made against another party (the "contributing party"), notify the contributing party of the commencement thereof, but the omission

to so notify the contributing party will not relieve it from any liability which it may have to any other party other than for contribution hereunder. In case any such action, suit or proceeding is brought against any party, and such party notifies a contributing party or its representative of the commencement thereof within the aforesaid fifteen days, the contributing party will be entitled to participate therein with the notifying party and any other contributing party similarly notified. Any such contributing party shall not be liable to any party seeking contribution on account of any settlement of any claim, action or proceeding effected by such party seeking contribution on account of any settlement of any Claim, action or proceeding effected by such party seeking contribution without the written consent of such contributing party. The contribution provisions contained in this Section 5 are intended to supersede, to the extent permitted by law, any right to contribution under the Securities

Act, the Exchange Act or otherwise available.

6. MISCELLANEOUS.

6.1 Expenses. Each party shall be liable for its own expenses in connection with the transactions contemplated by this Agreement.

6.2 Amendments. This Agreement may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement is sought.

6.3 Successors and Assigns. All covenants and agreements in this Agreement contained by or on behalf of either of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the Company and of Buyer, whether so expressed or not.

6.4 Notices, Etc. All notices, requests, demands and other communications hereunder shall be in writing and shall be delivered in person or mailed by certified or registered mail first-class, postage prepaid:

If to the Company:

Individual Investor Group, Inc.  
1633 Broadway, 38th Floor  
New York, New York 10019  
Attention: Mr. Jonathan L. Steinberg

with a copy to:

Individual Investor Group, Inc.  
1633 Broadway, 38th Floor  
New York, New York 10019  
Attn: General Counsel

If to the Buyer:

Wise Partners, L.P.  
c/o Jonathan Steinberg  
Individual Investor Group, Inc.  
1633 Broadway, 38th Floor  
New York, New York 10019

Graubard Mollen & Miller  
600 Third Avenue  
New York, New York 10016  
Attn: Peter Ziemba, Esq.

Any such notice, request, demand or other communication hereunder shall be deemed to have been duly given or made and to have become effective (i) if delivered by hand, at the time of receipt thereof and (ii) if sent by registered or certified first-class mail, postage prepaid, five business days thereafter.

Any party may, by written notice to the other, change the address to which notices to such party are to be delivered or mailed.

6.5 Governing Law. This Agreement is being delivered and is intended to be performed in the State of New York and shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of such State.

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

COMPANY:

BUYER:

INDIVIDUAL INVESTOR GROUP, INC.

WISE PARTNERS, L.P.

By:

BY:

-----  
Scot Rosenblum  
Senior Vice President

-----  
Jonathan Steinberg  
General Partner

DEMAND GRID NOTE

\$9,000,000.00

New York, New York  
Date: December 30, 1997

ON DEMAND, the undersigned ("Maker") promises to pay to the order of REPUBLIC NATIONAL BANK OF NEW YORK ("Bank") at the principal office of Bank located at 452 Fifth Avenue, New York, New York 10018 or at any of its other banking offices in New York as Bank may designate by written notice to Maker, the principal sum of NINE MILLION DOLLARS, or so much thereof as shall be advanced by Bank to Maker, in Bank's sole discretion, and not repaid, together with interest on the unpaid principal amount hereof from time to time outstanding from the date hereof until the date on which this Note is paid in full, at the rate set forth below.

Interest on the unpaid principal of this Note will be due and payable when demand is made for payment of the principal of this Note and (indicate whichever is applicable):

X on the last day of each month.

on the \_\_\_\_\_ day of each \_\_\_\_\_.

Prior to the date that demand is made for payment of the principal hereof, this Note shall bear interest at a rate (the "Contract Rate") equal to (indicate whichever is applicable):

\_\_\_\_\_ a fixed rate of \_\_\_\_\_% per annum.

X a fluctuating rate of 0% per annum above the Reference Rate (as defined below), such rate to change without notice from time to time with each change in the Reference Rate.

After demand is made for payment of the principal of this Note, interest under this Note shall be payable on demand and shall accrue at a fluctuating rate per annum equal to 2% per annum above (i) if the Contract Rate is a fixed rate, the Contract Rate, or (ii) if the Contract Rate is a fluctuating rate, the greater from time to time of (x) the Contract Rate in effect on the date that the principal became due and (y) the Contract Rate that would have been in effect from time to time if the principal had not become due. Interest shall be calculated on the basis of a 360-day year for actual days elapsed. In no event shall the interest rate applicable at any time to this Note exceed the maximum rate permitted by law. As used herein, "Reference Rate" means the rate established by Bank from time to time at its principal domestic office as its reference lending rate for domestic commercial loans. Bank may make loans to customers above, at or below the Reference Rate.

This Note evidences loans made by Bank to Maker in Bank's sole discretion, from time to time. The unpaid principal balance of this Note at any time shall be the total amount advanced by Bank to Maker in Bank's sole discretion, less the total amount of principal payments made hereon by Maker. The date and amount of each such loan and each payment on account of principal thereof may be endorsed by Bank on the grid attached to and made a part of this Note, and when so endorsed shall represent evidence thereof binding upon Maker in the absence of manifest error. Any failure by Bank to so endorse shall in no way

mitigate or discharge the obligation of Maker to repay any loans actually made. Maker may prepay this Note in whole at any time with all accrued interest to the date of prepayment. So long as Maker is not in default under this Note, Maker may prepay this Note in part at any time with accrued interest to the date of prepayment on the principal amount prepaid.

Requests for loans to Maker from Bank and directions as to the deposition of the proceeds thereof may be given orally (including by telephone) or in writing to Bank by the General Partner of Maker as authorized by the Partnership Bank Account Agreement heretofore delivered to Bank, as such Partnership Bank Account Agreement may be amended or superseded from time to time, provided an amended Partnership Bank Account Agreement shall have been executed by the General Partner(s) of Maker and delivered to an officer of Bank at its office for payment. Bank may conclusively rely on the authorities

contained in said Partnership Bank Account Agreement. Any such loan so made shall be conclusively presumed to have been made to or for the benefit of Maker and Maker shall be liable in respect thereof when made in accordance with any such request or direction, or when deposited to any account of Maker with Bank, even though persons other than those authorized to borrow on behalf of Maker may have authority to draw against such account. Bank may rely on any such request or direction which it believes to be genuine, and Bank shall be fully protected in so doing without any duty to make further inquiry as to such genuineness or in otherwise acting in good faith in the premises. By making a request for a loan, Maker shall be deemed to be representing to Bank that all of the representations and warranties of Maker set forth in this Note are true and correct as of the date of such request as if made on and as of such date and shall also be deemed to be representing and warranting to Bank that on such date Maker is not in breach of any of its covenants to Bank set forth in this Note or in any other document or instruments of Maker to Bank and no event of default has occurred and is continuing with respect to any Obligations (as defined below).

This Note shall be payable in lawful money of the United States of America in immediately available funds. Except as otherwise provided herein with respect to prepayments, all payments on this Note shall be applied to the payment of accrued interest before being applied to the payment of principal. Any payment which is required to be made on a day which is not a banking business day in the City of New York shall be payable on the next succeeding banking business day and such additional time shall be included in the computation of interest. In the event that any other Obligations are due at any time that Bank receives a payment from Maker on account of this Note or any such other Obligations, Bank may apply such payment to amounts due under this Note or any such other Obligations in such manner as Bank, in its discretion, elects, regardless of any instructions from Maker to the contrary.

Maker acknowledges that this Note is an obligation which is payable on demand and that notwithstanding anything to the contrary in any other instrument, agreement or other document to which Maker and/or Bank is a party, the enumeration in any such document of specific events of default, conditions and/or covenants relating to the loan evidenced by this Note or to any other Obligation, shall not be construed to qualify, define or otherwise limit in any way Bank's right, power or ability, at any time, to make demand for payment of the principal of and interest on this Note, and Maker agrees that the occurrence of any event of default or breach of any condition or covenant in any such document is not the only basis for demand to be made on this Note.

To induce Bank, in its sole discretion, to make loans to Maker, Maker represents, warrants and covenants to Bank that (i) Maker is duly organized and validly existing in good standing under the laws of the jurisdiction of its organization, with full power and authority to make, deliver and perform this Note; (ii) the

execution, delivery and performance by Maker of this Note have been duly authorized by all necessary Partnership action and do not and will not violate or conflict with its Limited Partnership Agreement or any agreement or instrument to which Maker is a party or which may be binding on Maker; (iii) this Note has been fully executed by the general partner of Maker and constitutes a legal, valid, binding and enforceable obligation of Maker; (iv) no authorization, consent, approval, license, exemption of or filing or registration with, any court or government or governmental agency is or will be necessary to the valid execution, delivery or performance by Maker of this Note; (v) the loans evidenced by this Note will be used solely for working capital purposes; and (vi) there are no pending or threatened actions, suits or proceedings against or affecting Maker by or before any court, commission, bureau or other governmental agency or instrumentality, which, individually or in the aggregate, if determined adversely to Maker, would have a material adverse effect on the business, properties, operations, or condition, financial or otherwise, of Maker.

Bank shall have a continuing lien and/or right of setoff on, and is hereby granted a security interest in, all deposits (general and special) and credits with Bank or any Bank Affiliate of any Maker and indorser, and may apply all or part of the same to any Obligations, at any time or times, without notice. Bank shall have a continuing lien on, and is hereby granted a security interest in, all property of every Maker and indorser and the proceeds thereof held or received by or for Bank or any Bank Affiliate for any purpose, whether or not for the express purpose of serving as collateral security for the Obligations. As used in this Note, the term "Bank Affiliate" includes any individual, partnership or corporation acting as nominee or agent for Bank, and any corporation or bank which is directly or indirectly owned or controlled by, or under common control with, Bank. Any notice of disposition of property shall be deemed reasonable if oral notice is attempted to be given to the General

Partner of the Maker by telephone and if written notice is mailed by certified mail at least five days before such disposition to the last address of Maker or indorser on Bank's records. However, the failure of the Bank to reach the General Partner by telephone shall not limit any of the rights of the Bank at law or hereunder. If the Obligations evidenced by this Note are secured by a security agreement and/or other security documents which Maker has separately delivered to Bank (whether or not such documents make specific reference to this Note), reference to such documents is made for a description of the collateral provided thereby and of the rights of Maker and Bank therein. The rights and remedies of Bank provided hereunder are cumulative with the rights and remedies available to Bank under any other instruments or agreements or under applicable law. As used in this Note, the term "Obligations" means all amounts payable under this Note and any and all other indebtedness, obligations and liabilities of Maker to Bank, and all claims of Bank against Maker, now existing or hereafter arising, direct or indirect (including participations or any interest of Bank in indebtedness of Maker to others), acquired outright, conditionally, or as collateral security from another, absolute or contingent, joint or several, secured or unsecured, matured or unmatured, monetary or non-monetary, arising out of contract or tort, liquidated or unliquidated, arising by operation of law or otherwise, and all extensions, renewals, refundings, replacements and modifications of any of the foregoing.

In case any principal of or interest on this Note is not paid when due, each Maker and indorser shall be jointly and severally liable for all costs of enforcement and collection of this Note incurred by Bank or any other holder of this Note, including but not limited to reasonable attorneys' fees, disbursements and court costs. In addition, in the event of a default hereunder, Maker shall pay all reasonable attorneys' fees and disbursements incurred by Bank in obtaining advice as to its rights and remedies in connection with such default.

Maker and each indorser hereby separately waive presentment, notice of dishonor, protest and notice of protest, and any or all other notices or demands (other than demand for payment) in connection with the

3

delivery, acceptance, performance, default, endorsement or guarantee of this Note. The liability of any Maker or indorser hereunder shall be unconditional and shall not be in any manner affected by any indulgence whatsoever granted or consented to by the holder hereof, including, but not limited to any extension of time, renewal, waiver or other modification. Any failure of the holder to exercise any right hereunder shall not be construed as a waiver of the right to exercise the same or any other right at any time and from time to time thereafter. Bank or any holder may accept late payments, or partial payments, even though marked "payment in full" or containing words of similar import or other conditions, without waiving any of its rights. No amendment, modification or waiver of any provision of this Note nor consent to any departure by Maker therefrom shall be effective, irrespective of any course of dealing, unless the same shall be in writing and signed by Bank, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. This Note cannot be changed or terminated orally or by estoppel or waiver or by any alleged oral modification regardless of any claimed partial performance referable thereto.

Any notice from Bank to Maker or any indorser shall be deemed given when delivered to Maker or such indorser by hand or five days after it is deposited in the United States mail by certified mail and addressed to Maker or such indorser at the last address of maker or such indorser appearing on Bank's records.

This Note shall be governed by and construed in accordance with the laws of the State of New York applicable to instruments made and to be performed wholly within that state. If any provision of this Note is held to be illegal or unenforceable for any reason whatsoever, such illegality or unenforceability shall not affect the validity of any other provision hereof.

MAKER AND EACH INDORSER AGREE THAT ANY ACTION, DISPUTE, PROCEEDING, CLAIM OR CONTROVERSY BETWEEN MAKER OR SUCH INDORSER AND BANK, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE ("DISPUTE" OR "DISPUTES") SHALL, AT BANK'S ELECTION, WHICH ELECTION MAY BE MADE AT ANY TIME PRIOR TO THE COMMENCEMENT OF A JUDICIAL PROCEEDING BY BANK, OR IN THE EVENT OF A JUDICIAL PROCEEDING INSTITUTED BY MAKER OR SUCH INDORSER AT ANY TIME PRIOR TO THE LAST DAY TO ANSWER AND/OR RESPOND TO A SUMMONS AND/OR COMPLAINT MADE BY MAKER OR SUCH INDORSER, BE RESOLVED BY ARBITRATION IN ACCORDANCE WITH THE PROVISIONS OF THIS PARAGRAPH AND SHALL, AT THE ELECTION OF BANK, INCLUDE ALL DISPUTES ARISING OUT OF OR IN CONNECTION WITH (1) THIS NOTE OR ANY RELATED AGREEMENTS OR INSTRUMENTS, (2) ALL PAST, PRESENT AND FUTURE AGREEMENTS INVOLVING MAKER OR SUCH INDORSER AND BANK, (3) ANY TRANSACTION RELATED TO THIS NOTE AND ALL PAST, PRESENT AND FUTURE TRANSACTIONS INVOLVING MAKER OR SUCH INDORSER AND BANK, AND (4) ANY ASPECT OF

THE PAST, PRESENT OR FUTURE RELATIONSHIP OF MAKER OR SUCH INDORSER AND BANK. Bank may elect to require arbitration of any Dispute with Maker or any indorser without thereby being required to arbitrate all Disputes between Bank and Maker or such indorser. Any such Dispute shall be resolved by binding arbitration in accordance with Article 75 of the New York Civil Practice Law and Rules and the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). In the event of any inconsistency between such Rules and these arbitration provisions, these provisions shall supersede such Rules. All statutes of limitations which would otherwise be applicable shall apply to any arbitration proceeding under this paragraph. In any arbitration proceeding subject to this paragraph, the arbitration panel (the "arbitrator") is specifically empowered to decide (by documents only, or with a hearing, at the arbitrator's sole discretion) pre-hearing motions which are substantially similar to pre-hearing motions to dismiss and motions for summary adjudication. In any such arbitration proceeding, the arbitrator shall not have the power or authority to award punitive damages to any party. Judgment upon the

4

award rendered may be entered in any court having jurisdiction. Whenever an arbitration is required, the parties shall select an arbitrator in the manner provided in this paragraph. No provision of, nor the exercise of any rights under, this paragraph shall limit the right of Bank (1) to foreclose against any real or personal property collateral through judicial foreclosure, by the exercise of the power of sale under a deed of trust, mortgage or other security agreement or instrument, pursuant to applicable provisions of the Uniform Commercial Code, or otherwise herein pursuant to applicable law, (2) to exercise self-help remedies including but not limited to setoff and repossession, or (3) to request and obtain from a court having jurisdiction before, during or after the pendency of any arbitration, provisional or ancillary remedies and relief including but not limited to injunctive or mandatory relief or the appointment of a receiver. The institution and maintenance of an action or judicial proceeding for, or pursuit of, provisional or ancillary remedies or exercise of self-help remedies shall not constitute a waiver of the right of Bank, even if Bank is the plaintiff, to submit the Dispute to arbitration if Bank would otherwise have such right. Whenever an arbitration is required under this paragraph, the arbitrator shall be selected, except as otherwise herein provided, in accordance with the Commercial Arbitration Rules of the AAA. A single arbitrator shall decide any claim of \$100,000 or less and he or she shall be an attorney with at least five years' experience. Where the claim of any party exceeds \$100,000, the Dispute shall be decided by a majority of three arbitrators, at least two of whom shall be attorneys (at least one of whom shall have not less than five years' experience representing commercial banks). The arbitrator shall have the power to award recovery of all costs and fees (including attorneys' fees, administrative fees, arbitrator's fees, and court costs) to the prevailing party. In the event of any Dispute governed by this paragraph, each of the parties shall, subject to the award of the arbitrator, pay an equal share of the arbitrator's fees.

MAKER AND EACH INDORSER AGREE THAT ANY ACTION, SUIT OR PROCEEDING IN RESPECT OF OR ARISING OUT OF THIS NOTE MAY BE INITIATED AND PROSECUTED IN THE STATE OR FEDERAL COURTS, AS THE CASE MAY BE, LOCATED IN NEW YORK COUNTY, NEW YORK AND ANY ARBITRATION PROCEEDING PURSUANT HERETO SHALL BE CONDUCTED IN NEW YORK, NEW YORK. MAKER AND EACH INDORSER CONSENT TO AND SUBMIT TO THE EXERCISE OF JURISDICTION OVER ITS PERSON BY ANY SUCH COURT HAVING JURISDICTION OVER THE SUBJECT MATTER, WAIVE PERSONAL SERVICE OF ANY AND ALL PROCESS UPON IT AND CONSENT THAT ALL SUCH SERVICE OF PROCESS BE MADE BY REGISTERED MAIL DIRECTED TO MAKER OR SUCH INDORSER AT ITS ADDRESS SET FORTH BELOW OR TO ANY OTHER ADDRESS AS MAY APPEAR IN BANK'S RECORDS AS THE ADDRESS OF MAKER OR SUCH INDORSER.

IN ANY ACTION, SUIT OR PROCEEDING IN RESPECT OF OR ARISING OUT OF THIS NOTE, BANK, MAKER AND EACH INDORSER WAIVE TRIAL BY JURY, AND MAKER AND EACH INDORSER ALSO WAIVE (1) THE RIGHT TO INTERPOSE ANY SET-OFF OR COUNTERCLAIM OF ANY NATURE OR DESCRIPTION, (II) ANY OBJECTION BASED ON FORUM NON CONVENIENS OR VENUE, AND (III) ANY CLAIM FOR CONSEQUENTIAL, PUNITIVE OR SPECIAL DAMAGES.

Bank is authorized to fill in any blank spaces and to otherwise complete this Note and correct any patent errors herein.

5

Copies of all written notices given by Bank to Maker shall be sent to:

1) Graubard Mollen & Miller

600 Third Avenue  
New York, New York 10016  
Attention: Peter M. Ziemba, Esq.

2) Howard E. Steinberg, Esq.  
General Counsel  
Reliance Group Holdings, Inc.  
Park Avenue Plaza  
29th Floor  
55 East 52nd Street  
New York, New York 10055

Wise Partners, L.P.  
Name of Maker

By: \_\_\_\_\_  
Signature of Authorized Signatory

Jonathan L. Steinberg, General Partner  
-----  
Print Name and Title

1633 Broadway, 38th Floor  
New York, New York 10019  
-----  
Address for Notices

6

[If Maker is not a natural person,  
indicate the type of entity below]

The Maker signing above is a:

\_\_\_ partnership organized under  
the laws of \_\_\_\_\_

X limited partnership organized  
under the laws of Delaware

\_\_\_ corporation organized under  
the laws of \_\_\_\_\_

\_\_\_ other (specify): \_\_\_\_\_

LOANS AND PAYMENTS OF PRINCIPAL

Date	Loan No.	Amount of Loan	Amount of Principal Paid	Unpaid Principal Balance	Notation Made By
------	----------	-------------------	--------------------------------	--------------------------------	---------------------

7

GUARANTY  
AND SECURITY AGREEMENT

Date: December 30, 1997

SECTION 1. Definitions. The following terms have the following meanings unless otherwise specified herein:

"Bank" means Republic National Bank of New York, a national banking association, and its successors and assigns, and any Person acting as agent or nominee for Republic National Bank of New York and any corporation the stock of which is owned or controlled directly or indirectly by, or is under common control with, Republic National Bank of New York and/or Republic New York Corporation.

"Bankruptcy Code" shall mean the United States Bankruptcy Code, and any amendments thereto (Title 11, United States Code).

"Borrower", shall mean Wise Partners, L.P., a Delaware limited partnership (if more than one, "Borrower" shall mean each, any or all of them).

"Claims" shall mean each "claim" as that term is defined under Section 101(5) of the Bankruptcy Code.

"Collateral" shall mean all property that secures the payment of the Obligations, and any Proceeds thereof.

"Guaranty" shall mean this Guaranty and Security Agreement.

"Guarantor" shall mean the undersigned (and if more than one, "Guarantor" shall mean each, any and all of them, jointly and severally).

"Liabilities" shall mean any and all indebtedness, obligations (whether monetary or non-monetary) and liabilities of Guarantor to the Bank under this Guaranty, and all Claims thereon.

"Lien" means any lien, security interest, pledge, hypothecation, or other claim in or with respect to any Security.

"Obligations" shall mean any and all indebtedness, obligations and liabilities of the Borrower to the Bank, and all Claims of the Bank against the Borrower, now existing or hereafter arising, which indebtedness, obligations, liabilities and Claims arise solely in connection with the \$9,000,000 demand grid note of the Borrower dated December \_\_, 1997 and all extensions and renewals of the foregoing.

"Person" shall mean any natural person, corporation, partnership, trust, government or other association or legal entity.

"Proceeds" shall have the meaning assigned to that term by the New York Uniform Commercial Code, as amended, and also means all "proceeds," "products," "offspring," "rents" or "profits" of any property, as such quoted terms are used in the Bankruptcy Code.

"Security" shall mean any property which secures payment or performance of any of the Liabilities, and all Proceeds thereof.

SECTION 2. Scope of Guaranty. In consideration of any extension of credit or other financial accommodation heretofore, now or hereafter made by the Bank to or for the account of the Borrower, whether voluntary or obligatory, Guarantor hereby absolutely and unconditionally guarantees to the Bank the prompt and complete payment and performance when due (whether at stated maturity, by required prepayment, acceleration, or otherwise) of all Obligations and all reasonable expenses incurred in collecting or enforcing the same, as more fully set forth below, all of which conclusively shall be deemed to have been incurred in reliance upon this

1

Guaranty, as if each of the foregoing were the direct and primary legal responsibility of Guarantor and not the Borrower.

SECTION 3. Security. As Security for the Liabilities of Guarantor, Guarantor hereby grants to the Bank a continuing lien upon and security interest in, and hereby pledges, assigns and transfers to the Bank, all right, title and interest of Guarantor in and to all deposits (general or special) of Guarantor at any time maintained with the Bank or any branch, subsidiary or affiliate of the Bank, wherever located, and any substitutions and all products and Proceeds thereof, and any other property described below, whether now or hereafter existing or acquired and wherever located, and any substitutions and all



products and Proceeds (including but not limited to insurance proceeds) thereof:

[mark or initial the applicable boxes]

Specific Property  All of the following property: See Schedule A

Guarantor further grants to the Bank a continuing lien upon and security interest in, and hereby pledges and assigns to the Bank, all right, title and interest of Guarantor in and to any and all moneys, securities and any other property of Guarantor and the Proceeds thereof, now or hereafter actually or constructively held or received by or in transit to or from the Bank, including its branches, subsidiaries and affiliates, wherever located, for any purpose, including, without limitation, for collection, custody, pledge and transmission. Guarantor hereby authorizes the Bank to sign and file financing statements at any time with respect to any Security without the signature of Guarantor. Guarantor will, however, at any time on request of the Bank, sign financing statements, trust receipts, security agreements or other agreements or instruments with respect to any Security. Upon Guarantor's failure to do so, the Bank is authorized, as the agent of Guarantor, to sign (and file, if Bank deems appropriate) any such instrument. Guarantor agrees to pay all filing fees and to reimburse the Bank for all costs and expenses of any kind reasonably incurred in any way in connection with the Security.

The Bank or its nominee may exercise any right of Guarantor with respect to any Security whether or not any Obligation or Liability is then due and payable or any default has occurred. In any statutory or non-statutory proceeding, affecting the Borrower, Guarantor or any Security or any Obligation or Liability, the Bank or its nominee may, whether or not any Obligation or Liability is then due and payable or any default shall have occurred, and regardless of the amount of Obligations or Liabilities, assert, or file a proof of claim for, the full amount of any such Obligation, Liability or the Security and vote such claim, for the full amount thereof: (a) for or against any proposal or resolution; (b) for a trustee or trustees or for a committee of creditors; or (c) for the acceptance or rejection of any proposed arrangement, plan of reorganization, wage earners plan, composition or extension, and the Bank or its nominee may receive any payment or distribution and give acquittance therefor and may exchange or release any Security. Guarantor agrees that at any time, whether or not any Obligation or Liability is then due and payable or any default shall have occurred, the Bank shall have the right to notify any account debtor (with respect to any Security consisting of Accounts), or the obligor on any Instrument or other right or claim of Guarantor to any payment which is Security, to make payment directly to the Bank, whether or not any default shall have occurred and whether or not Guarantor was theretofore making collections on such Security, and also to take control of any Proceeds the Bank is entitled to under Section 9-306 of the New York Uniform Commercial Code. If any Security consists of Accounts, Instruments or other rights or claims of Guarantor to any payment, then at the Bank's request Guarantor shall promptly notify (in manner, form and substance satisfactory to the Bank) all Persons obligated to Guarantor under any such Accounts, Instruments or other rights or claims of Guarantor to any payment that the Bank possesses a security interest in such Accounts, Instruments or other rights or claims of Guarantor to any payment and that all payments in respect of such Accounts, Instruments or other rights or claims of Owner to any payment are to be made directly to the Bank. Guarantor shall not settle, compromise or adjust any disputed amount, or allow any credit, rebate or discount with respect to any Account, Instrument or other right

2

or claim of Guarantor to any payment which constitutes Security under this Guaranty. After the Bank shall have given any notice to an account debtor of the type specified above, any and all accounts recovered by Guarantor from the account debtor or other obligor so notified shall be promptly remitted to the Bank, and until so remitted shall be segregated by Guarantor and held in trust for the Bank.

Any and all stocks, bonds or other securities of Guarantor at any time held by the Bank hereunder may, with notice, when an event of default exists hereunder, be registered in the name of the Bank or its nominee without disclosing that the Bank is a pledgee. The Bank or such nominee (when an event of default exists hereunder and regardless of the amount of Obligations or Liabilities) may, with notice, exercise all voting and Corporate rights at any meeting of any corporation issuing such stocks, bonds or other securities, and exercise any and all rights of conversion, exchange, subscription or any other rights, privileges or options pertaining to such stocks, bonds or other securities as if the absolute owner thereof, including without limitation the right to exchange, at its discretion, any and all of such stocks, bonds or other securities for other stocks, bonds, securities or any other property upon the merger, consolidation, reorganization, recapitalization or other readjustment of any corporation issuing the same or upon the exercise by the issuing corporation or the Bank of any right, privilege or option pertaining to such stocks, bonds,

or other securities, and in connection therewith, to deposit and deliver any and all of such stocks, bonds or other securities with any committee, trustee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as it may determine, all without liability except to account for property actually received by it. If Guarantor, as registered holder of any security, shall become entitled to receive or does receive any stock certificate, option or right, in substitution of, or in exchange for, such security, or otherwise, Guarantor agrees to accept same as the Bank's agent and to hold same in trust for the Bank, and to forthwith deliver the same to the Bank in the exact form received, with Guarantor's endorsement when necessary, to be held by the Bank as Security.

Guarantor recognizes that the Bank may be unable to effect a public sale of any securities which may constitute a portion of the Security by reason of certain prohibitions contained in the Securities Act of 1933 and applicable state securities laws and instead may resort to one or more private sales of such Security to a restricted group of purchasers who would be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. Guarantor recognizes and agrees that, because of this restriction, sales of securities may result in prices and other terms less favorable to the seller than if the disposition were made pursuant to a public sale and, notwithstanding such circumstances, agrees that any such private or limited sale or sales shall be deemed to have been made in a commercially reasonable manner. The Bank shall be under no obligation to delay a sale of any of the securities constituting part of the Security for the period of time necessary to permit the issuer of such securities to register them for public sale under the Securities Act of 1933 or under applicable state securities laws.

To the extent permitted by applicable law, the Bank or its nominee is hereby given a right of setoff for the amount of the Liabilities upon any of and all said deposits and any credits of Guarantor with, and any and all claims of Guarantor against, the Bank at any time existing and the Bank is hereby authorized to setoff and apply such deposits, credits and claims, without prior notice or demand, to the Liabilities in such order and amounts as the Bank may elect.

Guarantor shall, upon request of the Bank, assemble the Security and make it available to the Bank at a place to be designated by the Bank which is reasonably convenient to the Bank and Guarantor. The Bank will give Guarantor notice of the time and place of any public sale of the Security or of the time after which any private sale or any other intended disposition thereof is to be made by sending notice, as provided below, at least five days before the time of the sale or disposition, which provisions for notice Guarantor agrees are reasonable. No such notice need be given by the Bank with respect to Security which is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market. Guarantor shall remain liable to the Bank for the payment of any deficiency with interest thereon at the highest rate applicable to the Obligations, or if no rate is specified with respect to such Obligations, at the then legal rate of interest.

3

Guarantor will do all such other acts and things and will execute and deliver all such other instruments and documents, including further security agreements, pledges, endorsements, assignments, and notices as the Bank may reasonably deem necessary or advisable from time to time in order to perfect and preserve the Liens created by this Guaranty and will, at its own cost and expense, cause such Lien to be perfected and continue to be perfected and to be and remain prior to all other Liens. The Bank, acting through its officers, employees and authorized agents, is hereby irrevocably appointed the attorney-in-fact of Guarantor to do, at Guarantor's expense, all acts and things which the Bank may reasonably deem necessary or advisable to preserve, perfect, continue to perfect and/or maintain the priority of such Liens, including the signing of financing, continuation or other similar statements and notices on behalf of Guarantor, and which Guarantor is required to do by the terms of this Guaranty. Guarantor hereby authorizes the Bank to sign and file financing statements with respect to the Security without the signature of Guarantor. Guarantor shall pay all filing fees for financing statements with respect to the Security.

SECTION 4. Reinstatement. If after receipt of any payment of or proceeds of Security applied (or intended to be applied) to the payment of, all or any part of the Obligations, the Bank is for any reason compelled to surrender or voluntarily surrenders, such payment or proceeds to any person, (a) because such payment or application of proceeds is or may be avoided, invalidated, declared fraudulent, set aside, determined to be void or voidable as a preference, fraudulent conveyance, impermissible setoff or a diversion of trust funds; or (b) for any other reason, including without limitation (i) any judgment, decree or order of any Court or administrative body having jurisdiction over the Bank or any of its property, or (ii) any settlement or compromise of any such claim

effected by the Bank with any such claimant (including the Borrower), then the Obligations or part thereof intended to be satisfied shall be reinstated and continue and this Guaranty shall continue in full force as if such payment or proceeds had not been received by the Bank, notwithstanding any revocation thereof or the cancellation of any note or other instrument evidencing any Obligation or otherwise; and Guarantor shall be liable to pay to the Bank, and hereby does indemnify the Bank and hold the Bank harmless for, the amount of such payment or proceeds so surrendered and all expenses (including all attorneys' fees, court costs and expenses attributable thereto) incurred by the Bank in the defense of any claim made against the Bank that any payment or proceeds received by the Bank in respect of all or any part of the Obligations must be surrendered. The provisions of this Section 4 shall survive the termination of this Guaranty, and any satisfaction and discharge of the Borrower by virtue of any payment, court order or any federal or state law.

SECTION 5. Waiver. Guarantor hereby waives (a) notice of acceptance of this Guaranty and all notice of the creation, extension or accrual of any of the Obligations; (b) presentment and protest; (c) notice of any other nature whatsoever, except for notices specifically provided for in this Guaranty or which may not be waived under applicable law; (d) any requirement that the Bank file any claim in the event of the bankruptcy of the Borrower; or (e) failure to exercise or enforce the Bank's rights under any other guaranties of or security for the Obligations; and Guarantor further agrees that this Guaranty will not be discharged (subject to the provisions contained in Section 11) except by complete performance of all Obligations of the Borrower and the Liabilities of Guarantor hereunder. \*\*See Addendum to this Section 5.

SECTION 6. Consent. Guarantor hereby consents that from time to time, and without further notice to or consent of Guarantor, the Bank may take any or all of the following actions without diminishing, releasing or otherwise affecting the liability of Guarantor to pay and perform under this Guaranty: (a) extend, renew, modify, compromise, settle or release the Obligations (including without limitation any increase or decrease in the interest rate); (b) release or compromise any liability of any party or parties with respect to Obligations; (c) release its security interest in any or all of the Collateral or exchange, surrender, or otherwise deal with the Collateral as the Bank may determine; or (d) exercise or refrain from exercising any right or remedy of the Bank against any person or property.

SECTION 7. Guaranty Absolute. The liability of Guarantor under this Guaranty shall be absolute and unconditional irrespective of any lack of validity, regularity or enforceability of the Obligations or any note, instrument or agreement evidencing the same or relating thereto, the acceptance of additional guarantees or

4

collateral or the termination, by operation of law or otherwise, of the liability of anyone with respect to the Obligations, or any other circumstance which might otherwise constitute a defense available to, or a discharge of, the Borrower.

SECTION 8. [Deleted]

SECTION 9. Expenses. Guarantor hereby agrees to pay any and all expenses reasonably incurred by the Bank in enforcing any rights under this Guaranty or in defending any of its rights or any amounts received hereunder. Without limiting the foregoing, Guarantor agrees that whenever any attorney is used by the Bank to obtain payment hereunder, to advise it as to its rights, to adjudicate the rights of the parties hereunder or for the defense of any of its rights or amounts received hereunder, the Bank shall be entitled to recover all reasonable attorneys' fees, court costs, and expenses attributable thereto.

SECTION 10. Binding Effect. Except to the extent it may be terminated in accordance with Section 11, this Guaranty shall remain in full force and effect and shall be binding upon Guarantor, its successors and assigns, in accordance with its terms, notwithstanding any increase, decrease or change in the partners of Guarantor, if it should be a partnership, or the merger, consolidation, or reorganization of Guarantor, if it be a corporation, or any other change concerning the form, structure or substance of any such entity.

SECTION 11. Continuing Guaranty; Termination. This Guaranty is a continuing guaranty, which shall remain in effect until notice of termination in writing from Guarantor is actually received by the Bank at the Bank's address set forth below. Such termination will be effective only with respect to all Obligations incurred or contracted by the Borrower or acquired by the Bank after the date on which such notice is so received, but this Guaranty shall remain in full force and effect as to all Obligations existing at the date of receipt of such notice, including all renewals, compromises, modifications, extensions and other amendments relating thereto, all interest thereon and collection expenses therefor, until full payment of such Obligations to the Bank.

SECTION 12. Obligations Deemed to Become Due. If the Borrower or Guarantor makes an assignment for the benefit of creditors or a trustee or receiver is appointed for the Borrower or Guarantor or for any of its property; or any proceeding by or against the Borrower or Guarantor (or any other guarantor), under any bankruptcy, reorganization, arrangement of debt, insolvency, readjustment of debt, receivership, liquidation or dissolution law or statute is commenced; or Guarantor fails to furnish to the Bank such financial information concerning Guarantor as the Bank may from time to time request; or Bank shall in good faith determine that there has been a material adverse change in Guarantor's or the Borrower's net worth or in good faith deem itself insecure with respect to Guarantor's or the Borrower's financial condition or ability to pay the Liabilities or Obligations, as the case may be, then all Obligations, regardless of their terms, for the purposes of this Guaranty, together with all Liabilities, shall be immediately due and payable, notwithstanding the absence of any default by the Borrower under any of the Obligations.

SECTION 13. [Deleted]

SECTION 14. Notices. Each notice or other communication hereunder shall be in writing, shall be sent by messenger, by first class mail or by facsimile transmitter, and shall be effective when received, and shall be sent as follows:

If to the Guarantor, to the address set forth below its signature or such other address as it may designate, by written notice to the Bank as herein provided or such other address as may appear in the records of the Bank.

5

If to the Bank, to the following address:

Republic National Bank of New York  
452 Fifth Avenue  
New York, New York 10018  
Attention: Loan Department

or such other address as it may designate, by written notice to the Guarantor as herein provided. \*\*See Addendum to this section 14.

SECTION 15. Other Guarantees; Amendments. The execution and delivery hereafter to the Bank by Guarantor of a new instrument of guarantee shall not terminate, supersede or cancel this instrument, unless expressly provided therein, and this instrument shall not terminate, supersede or cancel any instrument of guarantee previously delivered to the Bank by Guarantor, and all rights and remedies of the Bank hereunder or under any instrument of guarantee hereafter or heretofore executed and delivered to the Bank by Guarantor shall be cumulative and may be exercised singly or concurrently. This Guaranty may be amended only by a writing executed by Guarantor and a duly authorized officer of the Bank.

SECTION 16. No Waiver; Cumulative Remedies. No delay on the part of the Bank in exercising any of its options, powers or rights, or partial or single exercise thereof, shall constitute a waiver thereof. NO WAIVER OF ANY PROVISION OF THIS GUARANTY IS EFFECTIVE UNLESS MADE IN WRITING AND EXECUTED BY A DULY AUTHORIZED OFFICER OF THE BANK. All rights and remedies hereunder are cumulative and may be exercised singly or concurrently.

SECTION 17. Statute of Limitations. Any acknowledgment, new promise, payment of principal or interest or other act by the Borrower or others with respect to the Obligations shall be deemed to be made as agent of Guarantor, and shall, if the statute of limitations in favor of Guarantor against the Bank shall have commenced to run, toll the running of such statute of limitations, and if such statute of limitations shall have expired, prevent the operation of such statute.

SECTION 18. Governing Law; Consent to Jurisdiction; Service of Process. This Guaranty shall be governed by and construed in accordance with the laws of the State of New York made and to be performed wholly within that State. Guarantor hereby consents to the jurisdiction of the courts of the State of New York and the courts of the United States of America for the Southern District of New York and consents that any' action or proceeding hereunder may be brought in such courts, and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same; and authorizes the service of process on Guarantor by registered or certified mail sent to its address as set forth in Section 14.

SECTION 19. RIGHT OF BANK TO ARBITRATE DISPUTES.

(a) GUARANTOR AGREES THAT ANY ACTION, DISPUTE, PROCEEDING, CLAIM OR CONTROVERSY BETWEEN OR AMONG GUARANTOR AND THE BANK WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE ("DISPUTE" OR "DISPUTES") SHALL, AT THE BANK'S ELECTION, WHICH ELECTION MAY BE MADE AT ANY TIME PRIOR TO THE COMMENCEMENT OF A JUDICIAL

PROCEEDING BY THE BANK, OR IN THE EVENT OF A JUDICIAL PROCEEDING INSTITUTED BY GUARANTOR AT ANY TIME PRIOR TO THE LAST DAY TO ANSWER AND/OR RESPOND TO A SUMMONS AND/OR COMPLAINT MADE BY GUARANTOR, BE RESOLVED BY ARBITRATION IN NEW YORK, NEW YORK IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION 19 AND SHALL, AT THE ELECTION OF THE BANK, INCLUDE ALL DISPUTES ARISING OUT OF OR IN CONNECTION WITH (I) THIS GUARANTY OR ANY RELATED AGREEMENTS OR INSTRUMENTS, (II) ALL PAST, PRESENT AND FUTURE AGREEMENTS INVOLVING GUARANTOR AND THE BANK,

6

(III) ANY TRANSACTION CONTEMPLATED HEREBY AND ALL PAST, PRESENT AND FUTURE TRANSACTIONS INVOLVING GUARANTOR AND THE BANK, AND (IV) ANY ASPECT OF THE PAST, PRESENT OR FUTURE RELATIONSHIP OF GUARANTOR AND THE BANK. Bank may elect to require arbitration of any such Dispute with Guarantor without thereby being required to arbitrate all Disputes between the Bank and Guarantor. Any such dispute shall be resolved by binding arbitration in accordance with Article 75 of the New York Civil Practice Law and Rules and the commercial arbitration rules of the American arbitration association ("AAA"). In the event of any inconsistency between such Rules and these arbitration provisions, these provisions shall supersede such Rules. All statutes of limitations which would otherwise be applicable shall apply to any arbitration proceeding under this subsection 19(a). In any arbitration proceeding subject to these provisions, the arbitration panel (the "arbitrator") is specifically empowered to decide (by documents only, or with a hearing, at the arbitrator's sole discretion) pre-hearing motions which are substantially similar to pre-hearing motions to dismiss and motions for summary adjudication. In any such arbitration proceeding, the arbitrator shall not have the power or authority to award punitive damages to any party. Judgment upon the award rendered may be entered in any court having jurisdiction. Whenever an arbitration is required, the parties shall select an arbitrator in the manner provided in subsection 19(d).

- (b) No provision of, nor the exercise of any rights under, subsection 19(a) shall limit the right of any party (i) to foreclose against any real or personal property collateral through judicial foreclosure, by the exercise of a power of sale under a deed of trust, mortgage or other security agreement or instrument, pursuant to applicable provisions of the Uniform Commercial Code, or otherwise pursuant to applicable law, (ii) to exercise self help remedies including but not limited to setoff and repossession, or (iii) to request and obtain from a court having jurisdiction before, during or after the pendency of any arbitration, provisional or ancillary remedies and relief including but not limited to injunctive or mandatory relief or the appointment of a receiver. The institution and maintenance of an action or judicial proceeding for, or pursuit of, provisional or ancillary remedies or exercise of self help remedies shall not constitute a waiver of the right of the Bank, even if the Bank is the plaintiff, to submit the Dispute to arbitration if the Bank would otherwise have such right.
- (c) The Bank may require arbitration of any Dispute(s) concerning the lawfulness, unconscionableness, propriety, or reasonableness of any exercise by the Bank of its right to take or dispose of any Collateral or its exercise of any other right in connection with Collateral including, without limitation, judicial foreclosure, exercising a power of sale under a deed of trust or mortgage, obtaining or executing a writ of attachment, taking or disposing of property with or without judicial process pursuant to Article 9 of the Uniform Commercial Code or otherwise as permitted by applicable law, notwithstanding any such exercise by the Bank.
- (d) Whenever an arbitration is required under subsection 19(a), the arbitrator shall be selected, except as otherwise herein provided, in accordance with the Commercial Arbitration Rules of the AAA. A single arbitrator shall decide any claim of \$100,000 or less and he or she shall be an attorney with at least five years' experience. Where the claim of any party exceeds \$100,000, the Dispute shall be decided by a majority vote of three arbitrators, at least two of whom shall be attorneys (at least one of whom shall have not less than five years' experience representing commercial banks).
- (e) In the event of any Dispute governed by this Section 19, each of the parties shall, subject to the award of the arbitrator, pay an equal share of the arbitrator's fees. The arbitrator shall have the power to award recovery of all costs and fees (including attorneys' fees, administrative fees, arbitrator's fees, and court costs) to the prevailing party.

SECTION 20. Severability. If any one or more of the provisions contained in this Guaranty or any document executed in connection herewith shall be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein shall not (to the full extent permitted by law) in any way be affected or impaired.

7

SECTION 21. Headings. The descriptive headings used in this Guaranty are for convenience only and shall not be deemed to affect the meaning or construction of any provision hereof.

SECTION 20. WAIVER OF TRIAL BY JURY. EACH OF THE BANK AND GUARANTOR HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY OR AGAINST IT ON ANY MATTERS WHATSOEVER, IN CONTRACT OR IN TORT, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS GUARANTY OR THE OBLIGATIONS.

SECTION 21. WAIVER OF CERTAIN OTHER RIGHTS. GUARANTOR HEREBY WAIVES THE RIGHT TO INTERPOSE ANY DEFENSE BASED UPON ANY CLAIMS OF LACHES OR SET-OFF OR COUNTERCLAIM OF ANY NATURE OR DESCRIPTION, ANY OBJECTION BASED ON FORUM NON CONVENIENS OR VENUE, AND ANY CLAIM FOR CONSEQUENTIAL, PUNITIVE OR SPECIAL DAMAGES.

IN WITNESS WHEREOF the Guarantor(s) has/have executed this Guaranty and Security Agreement.

[SEAL]

/s/

-----  
Saul P. Steinberg

/s/

-----  
Jonathan L. Steinberg

8

SCHEDULE AND ADDENDA  
TO  
GUARANTY AND SECURITY AGREEMENT  
DATED AS OF DECEMBER 30, 1997  
OF  
JONATHAN L. STEINBERG AND SAUL P. STEINBERG  
TO  
REPUBLIC NATIONAL BANK OF NEW YORK

Schedule A - Property constituting Security

A. Deposited by Jonathan L. Steinberg:

55,000 Shares of Common Stock of Individual Investor Group, Inc. ("IIGI")

B. Deposited by Saul P. Steinberg:

500,000 Shares of Common Stock of IIGI  
1,650,000 Shares of Common Stock of Reliance Group Holdings, Inc.

Addendum to Section 5

Bank hereby agrees to seek payment of the Obligation, first by making demand for payment from the Borrower, second by demanding payment from the Guarantors under this Guaranty and then by selling the Security.

Addendum to Section 14

With respect to any notice relating to a default of the Borrower or any Guarantor or to the sale of any Security hereunder, Bank shall attempt to give oral notice of such default by placing a telephone call to Jonathan L. Steinberg (212-843-2744) and to Saul P. Steinberg (212-909-1100). However, the failure of the Bank to reach either or both of these individuals by telephone shall not prevent the Bank from exercising any of its rights under law or this Guaranty. Copies of all written notices given by Bank to the Guarantors shall be sent to:

Graubard Mollen & Miller  
600 Third Avenue  
New York, New York 10016  
Attention: Peter M. Ziemba, Esq.  
Tel No: (212) 818-8667

Howard E. Steinberg, Esq.  
General Counsel  
Reliance Group Holdings, Inc.  
Park Avenue Plaza  
55 East 52nd Street  
New York, New York 10055  
Tel No: (212) 909-1100

RIDER  
 TO  
 GUARANTY AND SECURITY AGREEMENT  
 DATED AS OF DECEMBER 30, 1997  
 OF  
 JONATHAN L. STEINBERG AND SAUL P. STEINBERG  
 TO  
 REPUBLIC NATIONAL BANK OF NEW YORK

A. This Rider constitutes part of the Guaranty and Security Agreement, dated as of April 22, 1996, of Jonathan L. Steinberg and Saul P. Steinberg to Republic National Bank of New York, to which this Rider is attached. Capitalized terms that are used but are not defined in this Rider are used as they are defined in the printed portion of said Guaranty and Security Agreement (the "Printed Text"). In the event of any conflict between the Printed Text and this Rider, the terms set forth in this Rider shall control (except to the extent that the printed Text includes any typewritten changes, in which case the Printed Text as so changed shall control). Reference to this Guaranty, and like references, whether appearing in the Printed Text, any Addendum (including the schedule and addenda, the "Addendum") or in this Rider, shall mean the Printed Text, any such Addendum and this Rider, and shall include the same as supplemented, modified, amended or restated from time to time in accordance with the terms of this Guaranty.

B. Each Guarantor represents and warrants to Bank, severally as to himself only and not jointly and only as to any Collateral pledged by him, as to each of the matters set forth below: (a) such Guarantor has the full legal capacity, power and authority to execute and deliver this Guaranty and to perform all of such Guarantor's obligations hereunder; and (b) this Guaranty is the legal, valid and binding obligation of such Guarantor, enforceable against such Guarantor in accordance with its terms and provisions. Each Guarantor further represents, warrants and covenants, severally as to himself only and not jointly and only as to any Collateral pledged by him, that the following are true and correct at present and at all times while any Obligations are outstanding the following will be true and correct; such Collateral (i) is and will be owned of record (unless in the name of Bank's nominee) and beneficially solely by the undersigned (except as otherwise provided in this Guaranty) with good and marketable title thereto, free and clear of any lien, security interest, charge or encumbrance, except that the Bank will have a valid first priority security interest therein, (ii) is and will be duly and validly issued, fully paid and non-assessable (iii) in the case of Jonathan L. Steinberg, the 13,000, 20,000, 18,000 and 4,000 shares of Common Stock of Individual Investor Group, Inc. pledged by him as Collateral were acquired by him in open market purchase transactions on January 11, 1995, May 17, 1995, May 22, 1995 and May 23, 1995, respectively, and are not "restricted securities" under Rule 144 ("Rule 144") promulgated by the Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (the "Act"); and (iv) in the case of Saul P. Steinberg, all Collateral pledged by him has been beneficially owned by him for a period of at least three (3) years determined in accordance with paragraph (d) of Rule 144.

C. Without limiting the generality of any other provision of this Guaranty, Bank shall have, and shall be entitled to exercise, all the right and remedies granted to a secured party under the New York Uniform Commercial Code, except as otherwise expressly provided in this Guaranty. To the extent waiver is not limited under applicable law, each Guarantor hereby expressly waives each and every claim or defense, and agrees that such Guarantor will not assert or pursue (by action, suit, counterclaim or otherwise) any claim or defense, respecting (i) the selection or order of disposition of the Collateral (which may be as to such Collateral, and in any order, Bank may select in its reasonable discretion, and may be without regard to any holding period or tax basis that any person may have therein), (ii) the private sale of any shares of Individual Investor Group, Inc., whether or not any public market exists and regardless of the availability of any registration statement or of Rule 144, (iii) the choice or timing of any sale date (which Bank may select in its reasonable discretion), irrespective of whether greater sale proceeds would be realizable on a different sale date, (iv) the adequacy of the sale price of any

shares of Individual Investor Group, Inc., (v) any insufficiency of the proceeds to fully satisfy the Liabilities or (vi) any sale of shares of Individual Investor Group, Inc., to the first person to receive an offer or make a bid or the selection of any purchaser of those shares (which may be restricted, in Bank's discretion, to purchasers or prospective purchasers by number, class, nature and investment intention) or any default by any such purchaser; provided that such dispositions are effected in a commercially reasonable manner. In enforcing its remedies, Bank may sell pledged shares of Reliance Group Holdings, Inc. only through public markets.

D. In enforcing its rights in accordance with Addendum to Section 5, and without limiting the rights of Bank under the Printed Text, but subject however to the provisions of the Addendum and to any typewritten provisions in the Printed Text, Bank may take (and/or may cause one or more of its designees to take) any or all of the following actions, all without notice to the Guarantor or any other person (except as may otherwise be required in this Guaranty or by applicable law), with a single notice (if required or otherwise given, and except as otherwise required under the Addendum) being sufficient to entitle Bank from time to time thereafter to take any one or more of the actions described below; to sell, assign, lease or otherwise dispose of the whole of, or from time to time any part of, the Collateral, or offer or agree to do so, in any established market or, in the case of shares of Individual Investor Group, Inc., private sale or public auction or sale (with or without demand on the Guarantor or any advertisement or other notice of the time, place or terms of sale, and with or without any reserve or minimum bid price, whether disclosed or undisclosed) for cash and upon such other terms and subject to such other conditions as Bank in its reasonable discretion may determine, and the Bank may postpone or adjourn any such auction, sale or other disposition or cause the same to be postponed or adjourned from time to time to a subsequent time and place, or to abandon or cause the abandonment of the same, all without any advertisement or other notice thereof, and to carry out any agreement to sell any item or items of the Collateral in accordance with the terms and provisions of such agreement, notwithstanding that, after Bank shall have entered into such an agreement, all of the Liabilities may have been paid and satisfied in full. Any sale of Collateral conducted in conformity with reasonable commercial practices of banks disposing of similar collateral shall be deemed to be commercially reasonable for all purposes of this Guaranty.

E. This Rider may be executed in one or more counterparts which, taken together, shall constitute one and the same instrument and each of which shall be deemed an original.

IN WITNESS WHEREOF, the Guarantor has executed and delivered this Guaranty for the benefit of Bank as of the date set forth in the Printed Text.

/s/  
-----  
Jonathan L. Steinberg

/s/  
-----  
Saul P. Steinberg

Acknowledged and Agreed:

REPUBLIC NATIONAL BANK OF NEW YORK

By: /s/  
-----  
Mary Agnes Pan, First Vice President