

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-KSB

X Annual Report Pursuant to Section 13 or 15(d) of the Securities
- Exchange Act of 1934

For the fiscal year ended: December 31, 2001

or

- Transition Report Pursuant to Section 13 or 15(d) of the Securities
Exchange Act of 1934

For the transition period from ____ to ____

Commission file number: 1-10932

INDIVIDUAL INVESTOR GROUP, INC.
(Name of small business issuer in its charter)

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

125 Broad Street, 14th Floor, New York, New York 10004 ----- (Address of principal executive offices)	(Zip Code)
---	------------

Issuer's telephone number, including area code: (212) 742-2277

Securities registered pursuant to Section 12(b) of the Act:
NONE

Securities registered pursuant to Section 12(g) of the Act:
COMMON STOCK, \$.01 per share

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

Check if there is no disclosure of delinquent filers pursuant to Item
405 of Regulation S-B is not contained this form, and no disclosure will be
contained, to the best of the Issuer's knowledge, in definitive proxy or
information statements incorporated by reference in Part III of this Form 10-KSB
or any amendment to this Form 10-KSB. [X]

Issuer's revenues for its most recent fiscal year: \$5,929,994.

As of March 26, 2002, the aggregate market value of the Issuer's Common
Stock (based on the closing sale price of the Common Stock on that date on the
Nasdaq National Market) held by non-affiliates of the Issuer, was approximately
\$352,000.

As of March 26, 2002, 7,894,552 shares of the Common Stock of the
Issuer were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Issuer's definitive Proxy Statement for its 2002 Annual
Meeting of Stockholders to be filed pursuant to Regulation 14A of the Securities
and Exchange Commission under the Securities Exchange Act of 1934, as amended,
which is anticipated to be filed within 120 days after the end of Issuer's
fiscal year ended December 31, 2001, are incorporated by reference into Part III
hereof.

<Page>

INDIVIDUAL INVESTOR GROUP, INC.

2001 FORM 10-KSB ANNUAL REPORT

TABLE OF CONTENTS

PART I		
Item 1.	Description of Business	2
Item 2.	Description of Property	7
Item 3.	Legal Proceedings	8
Item 4.	Submission of Matters to a Vote of Security Holders	8
PART II		
Item 5.	Market for the Issuer's Common Equity and Related Stockholder Matters	8
Item 6.	Management's Discussion and Analysis of Financial Condition and Results of Operations	10
Item 7.	Consolidated Financial Statements and Supplementary Data	14
Item 8.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	34
PART III		
Item 9.	Directors and Executive Officers of the Issuer	34
Item 10.	Executive Compensation	34
Item 11.	Security Ownership of Certain Beneficial Owners and Management	34
Item 12.	Certain Relationships and Related Transactions	34
PART IV		
Item 13	Exhibits, Financial Statements Schedules and Reports on Form 8-K	34
	Signatures	39

<Page>

Important Notice Concerning "Forward-looking Statements" in this Report

Please read the notice set forth in Item 6 of Part II of this Report, which notice is incorporated in this Part I of this Report by reference.

PART I

ITEM 1. DESCRIPTION OF BUSINESS

Individual Investor Group, Inc. and its subsidiaries (collectively the "Company") develop stock indexes to license to sponsors of financial products (such as exchange-traded funds) and publishes a semi-monthly newsletter. The Company's flagship index family is the America's Fastest Growing Companies(SM) family of indexes, the first member of which has been licensed to Nuveen Investments ("Nuveen") and the American Stock Exchange ("AMEX") for the creation of a Nuveen-sponsored exchange-traded fund that, upon receipt of necessary regulatory approval, would be listed on the AMEX. During parts of 2001, the Company also published a monthly magazine, Individual Investor, and owned certain internet sites, including www.individualinvestor.com. In July 2001, the Company sold the subscriber list of Individual Investor magazine to The Kiplinger Washington Editors, Inc. and agreed not to publish a print periodical under the Individual Investor name for five years, in exchange for a cash payment of approximately \$3.5 million and the assumption by the purchaser of an approximately \$2.6 million deferred subscription liability, reflecting a total consideration of approximately \$6.1 million. In November 2001, the Company assigned to Telescan, Inc., certain of the Company's internet assets, including the domain name www.individualinvestor.com, in exchange for the 1,063,531 shares of the Company's Common Stock owned by Telescan and the Company subsequently discontinued its Online Services operations.

In its quarterly reports for the first three quarters of 2001, the Company accounted for the revenues from its operations through two business segments: Print Publications and Online Services. The Online Services segment has since become a discontinued operation and the financial statements for the year ended December 31, 2000 has been restated to conform to the December 31, 2001 financial presentation whereby there is only one segment in continuing operations revenues, the Print Publications segment. At such time as the Company's index licensing operations may generate revenues, the Company expects it will report such revenues as being derived from a distinct business segment.

DEVELOPMENT AND LICENSING OF STOCK' INDEXES

In February 1998, the Company launched its first stock index, now known as the America's Fastest Growing Companies(SM) Index. In the first quarter of 2001, the Company expanded its index offering with the launch of three additional indexes, now known as the America's Fastest Growing Companies(SM) Total Growth Index, the America's Fastest Growing Companies(SM) LargeCap Index

and the America's Fastest Growing Companies(SM) MidCap Index. The Company has since expanded its list of proprietary indexes to include the America's Fastest Growing Companies(SM) SmallCap Value Index, the America's Fastest Growing Companies(SM) MidCap Value Index, the America's Fastest Growing Companies(SM) LargeCap Value Index and the America's Fastest Growing Companies(SM) Total Value Index. In addition, the Company has developed additional stock indexes.

The Company's indexes are based upon unique, proprietary rules-based methodologies developed by the Company. One important characteristic of the Company's indexes is that they are rebalanced each quarter, with approximately 10% of the companies deleted and new companies added. The deletions and additions are made according to a proprietary set of rules. The rebalancing is primarily intended to eliminate companies that have fundamentals lagging those of the other index members and replace the deleted companies with companies

2

<page>

having exceptional fundamentals. In developing its indexes the Company did not seek to simply create benchmarks for certain market segments, but rather sought to develop a set of rules that would have the ability to identify companies that might be expected to have superior performance. The Company is proud of the backtested performance results of its indexes, both in terms of absolute return and risk-adjusted return. Although the backtested performance numbers obviously cannot assure future performance, the Company believes that its data may be of great interest to potential licensees that would contemplate creating financial products based upon the indexes.

In October 2000, the Company signed licensing agreements with Nuveen and the AMEX for the creation of an exchange-traded fund based upon the original America's Fastest Growing Companies(SM) Index that, upon receipt of necessary regulatory approval, would trade on the AMEX (such a product would be similar to the SPDR exchange-traded fund based upon the Standard & Poor's 500 index and the QQQ exchange-traded fund based upon the Nasdaq 100 index). With its structural focus on identifying small companies experiencing rapid growth in earnings per share, and a "keep the winners" approach that allows successful companies to remain in the index as their market capitalizations grow beyond \$2 billion, the America's Fastest Growing Companies(SM) Index is designed to select and retain tomorrow's titans and other successful enterprises. With a low median market capitalization, the America's Fastest Growing Companies(SM) Index thus may prove attractive to investors seeking exposure to the small-cap sector (which historically has outperformed the broader market) as well as investors seeking high growth in earnings per share regardless of market capitalization tier.

Upon receipt of necessary regulatory approval and commencement of trading of the Nuveen-sponsored exchange-traded fund based on the America's Fastest Growing Companies(SM) Index, the Company would receive quarterly royalty payments from Nuveen and from the AMEX (and potentially from other licensors, for example, related to futures or options products on the index or the fund based upon the index). Since the Company has minimal expenses associated with maintaining the index, the royalties the Company may derive could have a high gross margin (the higher the royalty payments, the higher the gross margin). In March 2002, the Securities and Exchange Commission granted Nuveen the exemptive order it sought in order to be allowed to sponsor an exchange-traded fund based upon the Company's America's Fastest Growing Companies(SM) Index. Such an exchange-traded fund only could commence trading upon the effectiveness of a registration statement with respect to such fund. There can be no assurance, however, that Nuveen will seek to have a registration statement with respect to such fund declared effective or that the exchange-traded fund based upon the America's Fastest Growing Companies(SM) Index will commence trading. There also can be no assurance that, if it did commence trading, the exchange-traded fund based upon the America's Fastest Growing Companies(SM) Index would prove to be popular or that the Company will receive any material amount of revenues with respect to the licenses described in this paragraph.

The Company is seeking to execute license agreements for the creation of financial products based upon its other proprietary stock indexes as well, but there can be no assurance that the Company will be successful in its endeavors to do so.

PRINT PUBLICATIONS

Print Publications revenues from advertising, list rental, circulation and other sources for the year ended December 31, 2001, totaled approximately \$5.9 million, as compared to approximately \$16.6 million in 2000. Results in 2000 included revenues of approximately \$3.4 million from Ticker magazine and included revenues related to publication of twelve issues of Individual Investor magazine. Results in 2001 did not include any revenue from Ticker magazine (which was sold in September 2000) and included revenues related to publication of six issues of Individual Investor magazine and revenues related to the sale in July 2001 of the subscription list of Individual Investor magazine. Print Publications revenues constituted 100% of the Company's revenues from continuing operations in 2001.

3

<page>

Individual Investor's Special Situations Report Newsletter

The Company publishes Individual Investor's Special Situations Report ("SSR"), a semi-monthly newsletter. Each issue features one new stock investment recommendation, including a detailed research report that discusses the featured company's operating history, future plans, management, and specific financial projections. In addition, each issue reports on recent company developments of previously recommended stocks and gives buy, hold, or sell recommendations on those stocks.

The basic annual subscription price for SSR is \$165. As of March 2002, SSR had approximately 880 paid subscribers, as compared to approximately 2,000 in March 2001. The decline in subscribers is primarily related to the Company's decision to eliminate costly marketing efforts related to the newsletter.

Individual Investor Magazine

The Company's former publication, Individual Investor magazine, was (prior to the sale of its subscriber list in July 2001) a consumer-oriented monthly investment magazine sold through subscriptions and at newsstands that offered proprietary research, analysis and recommendations, together with commentary and opinion on investment ideas. Individual Investor had a total paid subscriber and newsstand circulation of approximately 500,000 upon the sale of the subscriber list in July 2001, largely unchanged from December 2000.

Ticker Magazine

The Company also published Ticker magazine (prior to its sale in September 2000), a monthly trade publication distributed without charge to a controlled circulation of approximately 100,000 investment advisors, brokers and planners. Ticker focused on providing investment professionals with information to help increase their business, manage their accounts more effectively and improve results for their clients. In September 2000, the Company sold assets related to Ticker magazine for cash consideration of approximately \$6 million, less an adjustment for certain current assets and liabilities, and the assumption of certain liabilities.

Advertising

Print Publications advertising revenues for 2001 were approximately \$3.0 million as compared to approximately \$11.6 million in 2000. The decrease was primarily due to the fact that in fiscal 2001 the Company published six issues of Individual Investor magazine and no issues of Ticker magazine, as compared with twelve issues of Individual Investor magazine and nine issues of Ticker magazine in fiscal 2000. Print Publications advertising revenues derived from Individual Investor magazine of approximately \$3.0 million accounted for approximately 51% of the Company's total revenues from continuing operations for the year ended December 31, 2001, as compared to approximately \$8.3 million, or 50% of the Company's total revenues from continuing operations for the year ended December 31, 2000.

There is no advertising in SSR.

Circulation and Marketing

Print Publications circulation revenues in the year ended December 31, 2001 were approximately \$2.0 million, as compared to approximately \$3.6 million in 2000. Single copy, or newsstand, revenues for 2001 were approximately \$0.3 million, as compared to approximately \$0.8 million in 2000. The decrease in

4

<page>

newsstand revenues and overall circulation revenues was primarily due to the fact that in fiscal 2001 the Company published six issues of Individual Investor magazine as compared with twelve issues of Individual Investor magazine in fiscal 2000. Print Publications circulation revenues, which are derived from Individual Investor magazine and SSR, accounted for approximately 34% of the Company's total revenues from continuing operations for the year ended December 31, 2001, as compared to approximately 21% of the Company's total revenues from continuing operations for the year ended December 31, 2000.

Ticker was a controlled-circulation magazine distributed to investment advisors, brokers and planners. Names of recipients of Ticker were obtained from lists acquired by the Company; the recipients were required to respond that they wished to continue receiving the publication in order to stay on the circulation list.

SSR is sold by subscription only. The Company uses targeted direct mail and Internet solicitation to promote SSR.

List Rental Revenue

Print Publications list rental revenues were approximately \$0.4 million in 2001, as compared to approximately \$1.2 million in 2000. List rental revenues accounted for approximately 6% of the Company's total revenues from continuing operations for the years ended December 31, 2001 and 2000. The Company utilizes the services of an independent list-management agent to promote the rental of the Company's subscriber list.

Competition

SSR competes with a large number of newsletters that give investment advice, as well as established publications that focus on personal finance and also provide specific recommendations. The Company's index business competes with several companies that also develop and maintain indexes such as: Dow Jones and Company, Standard and Poors, Frank Russell and Company and Wilshire Associates, Inc, as well as numerous financial service companies.

Production and Operations

All preliminary research and analysis is done by an in-house research and editorial staff. After the editorial content of the Company's publications is determined, the articles are assigned to either in-house writers or researchers or to freelance columnists. In addition, Individual Investor had arrangements with certain prominent financial commentators to provide original articles for publication on a regular basis. The financial tables included in Individual Investor were provided by various vendors. The Company used in-house software and hardware in the composition and layout of its publications. The Company selected independent printers based on their production quality and competitive costs and service.

The Company uses an outside fulfillment service to manage its subscriber files. The service includes receiving subscription orders and payments, sending renewal and invoice notices to subscribers, and generating the subscribers' labels and circulation information reports each month.

DISCONTINUED OPERATIONS

Online Services

In November 2001, the Company assigned to Telescan, certain of the Company's internet assets, including the domain name www.individualinvestor.com, in exchange for the 1,063,531 shares of the Company's Common Stock owned by Telescan. The Company subsequently closed the web site www.shortinterest.com. The online operations of the Company have ceased and the results of operations report online operations as a discontinued operation.

5

<page>

Online Services revenues from advertising, subscriptions and other sources for the year ended December 31, 2001 totaled approximately \$1.3 million, as compared to \$3.2 million in 2000, primarily due to a sharp decline in web-based advertising. Online services negative contribution to overhead decreased approximately 29% from approximately \$0.7 million in 2000 to \$0.5 million in 2001.

A loss of approximately \$340,000 was recognized in November 2001 upon the transfer of the online assets to Telescan, primarily attributable to the write-off of (1) computer equipment that was written down to an estimated net salvage value (2) a web site service and license agreement acquired in 1999 that was abandoned as a result of the transfer and (3) accrued expenses related to the online operation through disposal date. No material expenses were incurred or revenues recognized after the disposal date.

During the year ended December 31, 2000 the Company recognized approximately \$1.1 million of gain related to the sale of online assets. In August 2000, the Company agreed to sell two Internet domain names for cash consideration of \$1.0 million. In connection with the sale, the Company also issued a warrant to purchase 250,000 shares of the Company's Common Stock at an exercise price of \$2.00 per share and relinquished the right to have its Common Stock trade under the ticker symbol "INDI" on the Nasdaq National Market (the Company began trading under the ticker symbol "IIGP" in October 2000). The fair market value of the issued warrant was approximately \$257,000 (see Note 10).

In September 2000, the Company sold certain assets related to the business of InsiderTrader.com for cash consideration of approximately \$500,000 and the assumption of certain liabilities. The unamortized balance of the InsiderTrader.com trademark was written off at that time.

The Company launched individualinvestor.com, in 1997. The site provided users with continuously updated research, recommendations, message boards, portfolio tracking, analytical tools, news and financial information. The site also built upon work presented in Individual Investor magazine.

Individualinvestor.com derived revenues from advertising, primarily banner ads and sponsorships. In November 1998, the Company acquired the web site InsiderTrader.com. InsiderTrader.com displayed certain "insider" data filed with the Securities and Exchange Commission and had two components: a free component, which could be viewed by any user and which derived revenues from advertising, and a subscription component, which could be viewed only by subscribers and which generated subscription revenues. In September 2000, the Company sold InsiderTrader.com for \$500,000 and the assumption of certain liabilities. In February 2001, the Company launched a new website, SHORTInterest.com, which distributed short interest data and provided screens, tables and other information to assist investors in determining which stocks to avoid or sell short. After the sale of individualinvestor.com, the Company discontinued the operations of SHORTInterest.com, ceasing its Online Services segment.

Investment Management Services

On April 30, 1998, the Company's Board of Directors decided to discontinue the Company's investment management services business. The investment management services business was principally conducted by a wholly owned subsidiary of the Company, WisdomTree Capital Management, Inc. ("WTCM"). WTCM serves as general partner of (and is an investor in) a domestic private investment fund. The Company is also a limited partner in the fund.

In 1998 the Company recorded a provision of \$591,741 to accrue for its share of any net operating losses of the domestic fund and related costs that are expected to occur until the fund liquidates its investments. A final

6

<page>

distribution of the domestic fund's assets was received in December 2001. The Company received approximately \$9,000 in excess of the carrying amount that it had recorded in 1998 and recorded a gain accordingly.

EMPLOYEES

As of March 26, 2002, the Company had four full-time employees engaged in developing and marketing the Company's proprietary indexes and administrative services. The Company also utilizes services of other persons on an independent contract basis.

INTELLECTUAL PROPERTY

The Company believes that respective methodologies of the Company's indexes constitute one of the Company's core assets and the Company is committed to protecting the value of that intellectual property. The Company only discloses the methodologies of its indexes to those third parties that have executed confidentiality agreements and who the Company believes may be instrumental in assisting the Company to derive value from the intellectual property.

The Company believes that trademarks and service marks are important to its business and actively pursues strategies to protect and strengthen its current marks for use in connection with its products and for future products. The Company, has registered the trademarks AMERICA'S FASTEST GROWING COMPANIES (R), MAGIC 25 (R), INVESTOR UNIVERSITY (R) and INVESTMENT UNIVERSITY (R). In addition, the Company's intellectual property includes copyrights to its former print and online publishing content.

In August 2000, the Company agreed to sell two Internet domain names for cash consideration of approximately \$1 million. In connection with the sale, the Company also issued a warrant to purchase 250,000 shares of the Company's Common Stock at an exercise price of \$2.00 per share and relinquished the right to have its Common Stock trade under the ticker symbol "INDI." The fair market value of the issued warrant was approximately \$257,000.

The Company will continue to seek to derive value from the development and exploitation of its intellectual property. There can be no assurance, however, that the Company's intellectual property rights will be successfully exploited or that such rights will not be challenged or invalidated in the future.

ITEM 2. DESCRIPTION OF PROPERTY

The Company leases 35,000 square feet at 125 Broad Street, New York, New York for its corporate office. The lease runs through March 31, 2004. Aggregate annual rental for this lease is \$997,500 plus escalation costs. The Company has sublet approximately 31,000 square feet (approximately 89%) to unrelated third parties through March 31, 2004, at a rental amount in excess of its current rent. The Company also leases 10,000 square feet at its former location in New York City, which space was sublet as of February 1996 to an unrelated third party. This lease expires March 1, 2005. The annual rent for the lease over the term of the sublease ranging from \$160,000 to approximately

\$210,000, plus escalation costs. The sublease also expires on March 1, 2005, and provides for aggregate annual rental receipts ranging from \$160,000 to \$205,000 over the term of the sublease, plus escalation costs. Although the Company does not currently anticipate that it will incur any material liability with respect to either of the above leases, there exists the possibility of such liability.

7

<page>

ITEM 3. LEGAL PROCEEDINGS

The Company from time to time is involved in ordinary and routine litigation incidental to its business. The Company currently believes that there is no such pending legal proceeding that would have a material adverse effect on the consolidated financial statements of the Company.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5. MARKET FOR THE ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

Effective with the Company's initial public offering on December 4, 1991, the Company's Common Stock was quoted on the Nasdaq SmallCap Market and the Boston Stock Exchange under the symbol "INDI." On December 9, 1996, the Company's Common Stock commenced trading on the Nasdaq National Market. On October 4, 2000, the Company's Nasdaq National Market ticker symbol was changed to "IIGP." Effective May 23, 2001, the Company's Common Stock was delisted from the Nasdaq National Market on the grounds that the Company's Common Stock had failed to maintain a minimum closing bid price of \$1.00 as required by Nasdaq Marketplace Rule 4450(a)(5) and that the Company did not satisfy the \$5,000,000 minimum market value of public float requirement of Nasdaq Marketplace Rule 4450(a)(2). Since May 23, 2001, the Company's Common Stock has traded on the OTC Bulletin Board.

The table below sets forth for the periods indicated the high and low closing sales prices on the Nasdaq National Market (prior to May 23, 2001) and the OTC Bulletin Board (since May 23, 2001) for the Company's Common Stock.

2001:	Low (\$)	High (\$)
-----	-----	-----
First Quarter	0.375	1.375
Second Quarter	0.21	0.625
Third Quarter	0.08	0.29
Fourth Quarter	0.05	0.14
2000:		
First Quarter	3-11/32	6-3/16
Second Quarter	1-15/16	4-7/16
Third Quarter	1	2-1/16
Fourth Quarter	11/32	1-5/32

These amounts represent sales between dealers in securities and do not include retail markups, markdowns or commissions. On March 26, 2002, the last sale price for the Company's Common Stock, as reported by the OTC Bulletin Board, was \$0.05.

Holders

On March 26, 2002, there were 65 holders of record of the Company's Common Stock. The Company believes that there are more than 2,500 beneficial owners of the Company's Common Stock.

8

<page>

Dividends

To date, the Company has not paid any dividends on its Common Stock. The payment of dividends, if any, in the future is within the discretion of the Board of Directors, subject to the preferential right of the Company's Series A Preferred Stock, and will depend upon the Company's earnings, its capital requirements and financial condition, and other relevant factors. The Company does not intend to declare any dividends in the foreseeable future, but instead intends to retain any capital for use in the business.

Dividends on the Company's Series A Preferred Stock are payable annually at the rate of \$20 per share and in preference to any potential dividends on the Company's Common Stock.

Securities Authorized for Issuance Under Equity Compensation Plans

<Table>
<Caption>

Equity Compensation Plan Information

Name of Plan of securities remaining available for future issuance	Number of securities authorized for issuance under the plan	Number of securities awarded plus number of securities to be issued upon exercise of options, warrants or rights granted during last fiscal year	Number of securities to be issued upon exercise of outstanding options, warrants or rights	Number for
<S>	<C>	<C>	<C>	<C>
1991 Plan None	200,000	None	2,000	
1993 Plan 192,366	500,000	None	None	
1996 Plan 319,866	1,000,000	276,480	181,667	
1996 Management None Incentive Plan	500,000	243,332	223,334	
2000 Plan 508,115	1,000,000	384,188	19,500	
2001 Plan (1) 1,000,000	1,000,000	None	None	
Other None	2,500,000	None	1,368,650	

</Table>

(1) In April 2001, the Company's board of directors approved the 2001 Performance Equity Plan ("2001 Plan"). The 2001 Plan covers 1,000,000 shares of the Company's common stock, and is similar to the Company's 1993, 1996 and 2000 Plans, except that incentive options may not be granted since shareholder approval for the 2001 Plan will not be obtained within one year of its adoption. The Company's stock option committee will administer the 2001 Plan.

Sales of Unregistered Securities

There were no sales of unregistered securities by the Company during the fourth quarter of 2001.

<page>

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Important Notice Concerning "Forward-looking Statements" in this Report (Including Without Limitation in Items 1 and 6)

1. "Forward-looking Statements." Certain parts of this Report describe historical information (such as operating results for the year ended December 31, 2001), and the Company believes the descriptions to be accurate. In contrast to describing the past, various sentences of this Report indicate that the Company believes certain results are likely to occur after December 31, 2001. These sentences typically use words or phrases like "believes," "expects," "anticipates," "estimates," "projects," "will continue" and similar expressions. Statements using those words or similar expressions are intended to identify "forward-looking statements" as that term is used in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include, but are not limited to, projections of operating results for periods after December 31, 2001, concerning either a specific segment of the Company's business or the Company as a whole. For example, projections concerning the following are forward-looking statements: net revenues, operating expenses, gross margins and net income or loss. Except to the extent that a statement in this Report is describing a historical fact, each statement in this Report is deemed to be a forward-looking statement.

2. Actual Results May Be Different than Projections. Due to a variety of risks and uncertainties, however, actual results may be materially different from the results projected in the forward-looking statements. These risks and uncertainties include those set forth in Item 1 of Part I hereof (entitled "Business"), in Item 6 of Part II hereof (entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations"), in Exhibit 99 hereof and elsewhere in this Report.

3. The Company Has No Duty to Update Projections. The forward-looking statements in this Report are current only on the date this Report is filed. After the filing of this Report, the Company's expectations of likely results may change, and the Company might come to believe that certain forward-looking statements in this Report are no longer accurate. The Company shall not have any obligation, however, to release publicly any corrections or revisions to any forward-looking statements contained in this Report, even if the Company believes the forward-looking statements are no longer accurate.

Year Ended December 31, 2001 as Compared to the Year Ended December 31, 2000

In November 2001, the Company assigned to Telescan, certain of the Company's internet assets, including the domain name www.individualinvestor.com, in exchange for the 1,063,531 shares of the Company's Common Stock owned by Telescan. The Company subsequently closed the web site www.shortinterest.com. The online operations of the Company have ceased and the consolidated statements of operations report online operations as a discontinued operation, consequently, the financial statements for the year ended December 31, 2000 have been restated to conform to the December 31, 2001 financial presentation whereby there is only one segment in continuing operations, the Print Publications segment.

Net Loss from Continuing Operations

The Company's net loss from continuing operations for the year ended December 31, 2001 was approximately \$4.5 million, an increase of approximately \$1.8 million as compared to a net loss from continuing operations of approximately \$2.7 million in 2000. The increase in the loss from the prior year is primarily due to the decrease in revenues from advertising, the sale of the subscriber list of Individual Investor magazine in July 2001 and additional writedowns of investments and other assets. No income taxes were provided in 2001 or 2000 due to the net loss. The basic and dilutive net loss per weighted average common share for the year ended December 31, 2001 was approximately \$0.52, as compared to approximately \$0.28 in 2000. There were approximately 1.1 million fewer common shares outstanding at the end of December 2001 as compared to December 31, 2000.

10

<page>

Operating Revenues

Total revenues from continuing operations (Print Publications revenues) for the year ended December 31, 2001 was approximately \$5.9 million, as compared to approximately \$16.6 million in 2000.

Advertising revenues for the year ended December 31, 2001 was approximately \$3.0 million, as compared to approximately \$11.6 million in 2000. The decrease is primarily due to the fact that in 2001, advertising revenues were derived from only six issues of Individual Investor magazine and no issues of Ticker magazine, whereas in 2000 advertising revenues were derived from twelve issues of Individual Investor magazine and nine issues of Ticker magazine. In July 2001, the Company sold the subscriber list of Individual Investor magazine and discontinued publication. In September 2000, the Company sold the assets of Ticker magazine.

Circulation revenues for year ended December 31, 2001 was approximately \$2.0 million, as compared to approximately \$3.6 million in 2000. Subscription revenues for the year ended December 31, 2001 was approximately \$1.7 million, as compared to approximately \$2.8 million in 2000. Newsstand revenues for the year ended December 31, 2001 was approximately \$0.3 million, as compared to approximately \$0.8 million in 2000. The decreases in subscription revenues and newsstand revenues from the prior year is primarily attributable to the sale of the subscriber list of Individual Investor magazine in July 2001 and the discontinuance of the magazine.

List rental and other revenues for the years ended December 31, 2001 were approximately \$0.9 million as compared to approximately \$1.4 million in 2000. The decrease is primarily due to sale in July 2001 of the subscriber list of Individual Investor magazine and the sale in September 2000 of Ticker magazine.

Operating Expenses

Total operating expenses from continuing operations for the year ended

December 31, 2001 were approximately \$9.1 million, as compared to approximately \$22.6 million in 2000.

Editorial, production and distribution expenses for the year ended December 31, 2001 were approximately \$3.4 million, as compared to approximately \$9.2 million in 2000. Promotion and selling expenses for the year ended December 31, 2001 were approximately \$2.6 million, as compared to approximately \$7.3 million in 2000. The decreases in editorial, production and distribution expenses and promotion and selling expenses is primarily due to the sale in July 2001 of the subscriber list of Individual Investor magazine and the sale in September 2000 of Ticker magazine.

General and administrative expenses for the year ended December 31, 2001 were \$2.7 million, as compared to approximately \$5.6 million in 2000. The decrease is primarily due to general and administrative headcount reductions following the sale of the subscriber list of Individual Investor magazine in July 2001 and the sale of Ticker magazine in September 2000 and the sublet in May 2001 of approximately 47% of the Company's headquarters office space. This sublease reduced net rent expense for the year ended December 31, 2001 by approximately \$0.4 million as compared to 2000. Effective January 2002, the Company also sublet an additional approximate 42% of its headquarters office space.

11

<page>

Depreciation and amortization expense for the year ended December 31, 2001 was approximately \$468,000, as compared to approximately \$454,000 in 2000. The increase is attributable to additional depreciation of furniture and fixtures as well as amortization of additional leasehold improvements incurred associated with the May 2001 sublease.

Gain on Sale of Assets

Gain on sale of assets for the year ended December 31, 2001 of approximately \$2.2 million represents the gain on the sale of the subscriber list of Individual Investor magazine in July 2001, as compared to gain on sale of assets of \$5.6 million for the year ended December 31, 2000 representing the gain on the sale of certain assets related to Ticker magazine during the third quarter of 2000.

Impairment of Investments and Other Assets

The Company recorded impairment in the third quarter of 2001 of approximately \$2.7 million with respect to its investments in Tradeworx, Inc. (acquired in May 2000) and Pricing Dynamics Solutions, Inc. (acquired in February 2000). The Company reviewed the operations and financial position of these entities and concluded that it had incurred an other than temporary decline in the value of its Tradeworx, Inc. and Pricing Dynamics Solutions, Inc. investments. The Company adjusted the carrying value to estimated fair market value and accordingly reduced the carrying value of its investments by approximately \$2.7 million. Additionally, the Company recorded a loss of approximately \$0.8 million during the quarter ended December 31, 2001, as the Company sublet approximately 89% of its office space to unrelated third parties and abandoned the leaseholds. The total impairment for the year ended December 31, 2001 of approximately \$3.5 million compares to the recorded impairment of approximately \$2.6 million in 2000 with respect to its investment in VentureHighway.com Inc. (acquired in June 1999).

Investment and Other Income

Investment and other income for the year ended December 31, 2001 was approximately \$0.1 million as compared to approximately \$0.3 million in 2000. The decreased amount of investment income earned in 2001 compared to 2000 is primarily due to lower cash balances available for investment and a decrease in interest rates.

Loss from Discontinued Operations

The Company's loss from discontinued operations for the year ended December 31, 2001 was approximately \$0.9 million, a decrease of approximately \$0.2 million as compared to a loss from discontinued operations of approximately \$0.7 million for the year ended December 31, 2000. The decreased loss is due to an approximate \$3.2 million decrease in online operating expenses offset by a decline in revenues of approximately \$1.9 million, offset by a decrease of approximately \$1.5 million related to gains from the sale of online assets. The basic net loss per weighted average common share for the year ended December 31, 2001 was approximately \$0.10, as compared to approximately \$0.06 in 2000. There were approximately 1.1 million fewer common shares outstanding at the end of December 2001 as compared to December 31, 2000. No material expenses were incurred or revenues recognized after the disposal date. The remaining assets (primarily computers and servers) are being utilized by the Company's ongoing operations.

Liquidity and Capital Resources

As of December 31, 2001, the Company had cash and cash equivalents totaling approximately \$1.3 million and negative working capital of approximately \$0.8 million. During 2001, the Company received cash proceeds, net of cash expenses, of approximately \$2.6 million from the sale and purchase of certain assets. Net cash used in operating activities during 2001 was approximately \$3.7 million. Cash used in financing activities was approximately \$0.8 million and cash used by discontinued operations was approximately \$0.3 million. Cash used by discontinued operations in the year ended December 31, 2001 was approximately \$0.9 million. The Company's cash and cash equivalents balance of approximately \$1.3 million at December 31, 2001 represented a decrease of approximately \$3.4 million from the December 31, 2000 balance.

12

<page>

The Company's current levels of revenues are not sufficient to cover its expenses. The Company is not able to predict the magnitude of the licensing revenues, if any, that it might obtain in connection with the Company's license of the America's Fastest Growing Companies(SM) Index to Nuveen Investments and the American Stock Exchange for the creation of an exchange-traded fund to be sponsored by Nuveen and based upon the America's Fastest Growing Companies(SM) Index. The licensing revenue to the Company would be owed quarterly once the exchange-traded fund based upon the America's Fastest Growing Companies(SM) Index began trading. Since the Company has minimal expenses associated with maintaining the America's Fastest Growing Companies(SM) Index, the royalties the Company may derive could have a high gross margin (the higher the royalty payments, the greater the gross margin). In March 2002, the Securities and Exchange Commission ("Commission") granted Nuveen the exemptive order it sought in order to be allowed to sponsor an exchange-traded fund based upon the Company's America's Fastest Growing Companies(SM) Index. Such an exchange-traded fund only could commence trading if a registration statement with respect to such fund was declared effective by the Commission. There can be no assurance, however, that Nuveen will seek to have the Commission declare effective, or that the Commission would declare effective, a registration statement with respect to such fund, or that an exchange-traded fund based upon the America's Fastest Growing Companies(SM) Index will commence trading. There also can be no assurance that, if it did commence trading, an exchange-traded fund based upon the America's Fastest Growing Companies(SM) Index would prove to be popular or that the Company will receive any material amount of revenues with respect to the licenses described in this paragraph. The Company recently announced three additional indexes, the America's Fastest Growing Companies(SM) MidCap Index, the America's Fastest Growing Companies(SM) LargeCap Index and the America's Fastest Growing Companies(SM) Total Growth Index and has developed additional indexes as well. The Company has had discussions with a variety of parties concerning the potential license of the Company's indexes for the creation of financial products. There can no assurance the Company will execute licensing agreements with respect to such indexes, that financial products based upon such indexes would enter the market or that the Company would derive any material revenues with respect to any such licenses.

The Company believes that its working capital and the amount it is entitled to receive from its sub lessees will be sufficient to fund its operations and capital requirements through 2002. The Company's sub lessees have been current on their rental payments to the Company and the Company does not currently have any reason to believe that any sub lessee would fail to make the rental payments owed to the Company. In the event that the Company's sub lessees failed to make the rental payments owed to the Company, the Company would need to obtain additional capital in order to sustain operations. There can be no assurance, however, that the Company would be able to obtain additional capital, nor can there can be assurance as to the terms upon which the Company might be able to obtain additional capital. Obtaining any additional capital could result in a substantial dilution of an investor's equity investment in the Company.

Recent Accounting Pronouncements

The Company on January 1, 2001 adopted Statement of Financial Accounting Standards No. 133 ("SFAS 133"), "Accounting for Derivative Instruments and Hedging Activities," which is effective for fiscal years beginning after June 15, 2000. SFAS 133, as amended, establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. Under SFAS 133, certain contracts that were not formally considered derivatives may now meet the definition of a derivative. The adoption of SFAS 133 did not have a significant impact on the financial position, results of operations, or cash flows of the Company.

13

<page>

In June 2001, the Financial Accounting Standards Board ("FASB") approved the final standards resulting from its business combinations project. The FASB issued SFAS No. 141, "Business Combinations," and No. 142, "Goodwill and Other Intangible Assets," in July 2001. SFAS No. 141 is effective for any business combination accounted for by the purchase method that is completed

after September 30, 2001. SFAS No. 142, which includes the requirements to test goodwill and intangible assets with indefinite lives for impairment, rather than amortize them, will be effective for fiscal years beginning after December 15, 2001. The Company believes that the adoption of SFAS No. 141 and No. 142 will not have a material impact on the financial position, results of operations, or cash flows of the Company.

In August 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations." SFAS No. 143 addresses financial accounting and reporting for obligations and costs associated with the retirement of tangible long-lived assets. The Company is required to implement SFAS No.143 on January 1, 2003, and has not yet determined the impact that this statement will have on its results of operations or financial position.

In October 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS No. 144 replaces SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of," and establishes accounting and reporting standards for long-lived assets to be disposed of by sale. This standard applies to all long-lived assets, including discontinued operations. SFAS No. 144 requires that those assets be measured at the lower of carrying amount or fair value less cost to sell. SFAS No. 144 also broadens the reporting of discontinued operations to include all components of an entity with operations that can be distinguished from the rest of the entity that will be eliminated from the ongoing operations of the entity in a disposal transaction. The Company is required to implement SFAS No. 144 on January 1, 2002, and has not yet determined the impact that this statement will have on its results of operations or financial position.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	Page
Independent Auditors' Report	15
Consolidated Balance Sheet as of December 31, 2001	16
Consolidated Statements of Operations for the Years Ended December 31, 2001 and 2000	17
Consolidated Statements of Stockholders' Equity (Deficit) for the Years Ended December 31, 2001 and 2000	18
Consolidated Statements of Cash Flows for the Years Ended December 31, 2001 and 2000	19
Notes to Consolidated Financial Statements	20-33

14

<Page>

To the Board of Directors and Stockholders of
Individual Investor Group, Inc.
New York, New York

We have audited the accompanying consolidated balance sheet of Individual Investor Group, Inc. (the "Company") as of December 31, 2001, and the related consolidated statements of operations, stockholders' equity (deficit), and cash flows for the years then ended December 31, 2001 and 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2001 and the results of its operations and its cash flows for the years ended December 31, 2001 and 2000 in conformity with accounting principles generally accepted in the United States of America.

/s/ DELOITTE & TOUCHE LLP

<Page>

INDIVIDUAL INVESTOR GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

	December 31,	
ASSETS	2001	

Current assets:		
Cash and cash equivalents	\$ 1,291,444	
Accounts receivable (net of allowances of \$308,783)	254,310	
Prepaid expenses and other current assets	154,552	

Total current assets	1,700,306	

Investments (Notes 1 and 2)	-	
Property and equipment - net	153,969	
Security deposits	372,545	
Other assets	841,364	

Total assets	\$ 3,068,184	
	=====	
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 1,140,953	
Accrued expenses	316,746	
Deferred consulting fees and non compete	550,000	
Deferred advertising revenue	542,654	

Total current liabilities	2,550,353	

Deferred subscription revenue	1,667,549	

Total liabilities	4,217,902	

Stockholders' Deficit:		
Preferred stock, \$.01 par value, authorized 2,000,000 shares, 7,880 issued and outstanding	79	
Common stock, \$.01 par value; authorized 40,000,000 shares, 7,915,552, issued and outstanding	79,156	
Additional paid-in capital	33,422,294	
Warrants	770,842	
Deferred compensation	(4,350)	
Accumulated deficit	(35,417,739)	

Total stockholders' deficit	(1,149,718)	

Total liabilities and stockholders' deficit	\$ 3,068,184	
	=====	

See Notes to Consolidated Financial Statements

<page>

INDIVIDUAL INVESTOR GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

<Table>

<Caption>

	12 Months Ended December 31,	
	2001	2000
	-----	-----
<S>	<C>	<C>
Revenues:		
Print Publications	\$ 5,929,994	\$ 16,590,782

Total revenues	5,929,994	16,590,782

Operating expenses:		
Editorial, production and distribution	3,442,207	9,183,064
Promotion and selling	2,559,206	7,317,177
General and administrative	2,666,450	5,600,120
Depreciation and amortization	468,159	454,199
Total operating expenses	9,136,022	22,554,560
Gain on sale of assets	2,175,497	5,603,227
Impairment of investments and other assets	(3,530,268)	(2,638,356)
Operating loss from continuing operations	(4,560,799)	(2,998,907)
Investment and other income (Note 2)	95,296	276,206
Net loss from continuing operations	(4,465,503)	(2,722,701)
Discontinued operations (Note 3)		
Loss from operations	(527,408)	(683,088)
Loss on disposal	(340,445)	-
Loss from discontinued operations	(867,853)	(683,088)
Net loss	\$ (5,333,356)	\$ (3,405,789)
Basic and dilutive loss per common share:		
Continuing operations	(\$0.52)	(\$0.28)
Discontinued operations	(\$0.10)	(\$0.06)
Net loss per share	(\$0.62)	(\$0.34)
Average number of common shares used in computing basic and dilutive loss per common share	8,887,631	10,439,887

</Table>

See Notes to Consolidated Financial Statements

17

<page>

INDIVIDUAL INVESTOR GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)

<Table>

<Caption>

Accumulated	Preferred Stock		Common Stock		Additional Paid-in	Deferred	Warrants	Compensation
	Shares	Par	Shares	Par				
Deficit	Issued	Value	Issued	Value	Capital			
Total								
	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance, December 31, 1999	10,000	\$100	10,353,901	\$103,539	\$33,421,542	\$742,079	\$(272,038)	
\$(26,332,285)		7,662,937						
Exercise of options - net	-	-	87,118	871	110,745	-	-	
- 111,616								
Stock option and warrant transactions	-	-	-	-	-	129,973	127,068	
- 257,041								
Conversion of preferred to common stock	(2,120)	(21)	200,000	2,000	(1,979)	-	-	

Amortization of deferred compensation	-	-	-	-	-	-	263,137
- 263,137							
Issuance of common stock (restricted)	-	-	113,000	1,130	188,902	-	(147,657)
- 42,375							
Net loss (3,405,789)	(3,405,789)						
Preferred stock dividends	-	-	-	-	-	-	
(188,709)	(188,709)						
Repurchase and cancellation common stock	-	-	(1,781,133)	(17,811)	(142,491)	-	-
(160,302)							

Balance, December 31, 2000	7,880	79	8,972,886	89,729	33,576,719	872,052	(29,490)
(29,926,783)	4,582,306						
Stock option and warrant transactions	-	-	-	-	(77,070)	(101,210)	38,190
- (140,090)							
Repurchase and cancellation common stock	-	-	(1,063,531)	(10,635)	(85,082)	-	-
- (95,717)							
Cancellation of common stock (restricted 2000)	-	-	(22,803)	(228)	(5,033)	-	-
- (5,261)							
Issuance of common stock (restricted 2001)	-	-	29,000	290	12,760	-	(13,050)
- -							
Net loss (5,333,356)	(5,333,356)						
Preferred stock dividends	-	-	-	-	-	-	-
(157,600)	(157,600)						

Balance, December 31, 2001	7,880	\$79	7,915,552	\$79,156	\$33,422,294	\$770,842	\$(4,350)
\$(35,417,739)	\$(1,149,718)						
=====							

</Table>

See Notes to Consolidated Financial Statements

18

<page>

INDIVIDUAL INVESTOR GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

<Table>
<Caption>

	12 Months Ended December 31, 2001	2000
<S>	<C>	<C>
Cash flows from operating activities:		
Net loss	\$ (5,333,356)	\$ (3,405,789)
Less:		
Loss from discontinued operations	(867,853)	(683,088)
Loss from continuing operations	(4,465,503)	(2,722,701)
Reconciliation of net loss to net cash used in operating activities:		

Gain on sale of assets	(2,175,497)	(5,603,227)
Impairment of investments	3,530,268	2,638,356
Depreciation and amortization	468,159	454,199
Stock option and warrant transactions	(73,708)	295,888
Amortization of consulting fees and non compete	(450,000)	-
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	2,238,542	626,858
Prepaid expenses and other current assets	316,474	(1,069,474)
Security deposits	3,035	(1,053)
Other assets	(51,353)	343,078
Deferred subscription expense	147,641	46,379
Increase (decrease) in:		
Accounts payable and accrued expenses	(1,539,128)	(543,703)
Deferred advertising revenue	(1,057,442)	(1,098,048)
Deferred subscription revenue	(619,903)	158,816
Net cash used in operating activities	(3,728,415)	(6,474,632)
Cash flows from investing activities:		
Purchase of property and equipment	(561,001)	(393,850)
Net proceeds from sale of assets	2,575,434	5,085,819
Net cash provided by investing activities	2,014,433	4,691,969
Cash flows from financing activities:		
Proceeds from exercise of stock options	-	111,616
Purchase of common stock	-	(160,302)
Receivables financing	(638,653)	638,652
Preferred stock dividends	(157,600)	(188,709)
Net cash provided by (used in) financing activities	(796,253)	401,257
Net cash used in discontinued operations	(892,797)	(361,660)
Net decrease in cash and cash equivalents	(3,403,032)	(1,743,066)
Cash and cash equivalents, beginning of period	4,694,476	6,437,542
Cash and cash equivalents, end of period	\$ 1,291,444	\$ 4,694,476

</Table>

See Notes to Consolidated Financial Statements
<Page>

INDIVIDUAL INVESTOR GROUP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Individual Investor Group, Inc. and its subsidiaries (collectively, the "Company") are primarily engaged in providing financial information services. The Company has developed several stock indexes that it seeks to license to sponsors of financial products and the Company also publishes a semi-monthly newsletter, Individual Investor's Special Situations Report. During 2000 and periods of 2001, the Company also published Individual Investor magazine, a monthly personal finance magazine and operated certain websites and reported its operating results in two distinct business segments: Print Publications and Online Services. Between approximately October 1996 and September 2000, the Company's Print Publications segment also included Ticker, a magazine for investment professionals. The Company's Online Services segment included individualinvestor.com and, between approximately November 1998 and September 2000, InsiderTrader.com. In September 2000, the Company sold InsiderTrader.com and Ticker magazine to two different parties in two unrelated transactions (see Note 3). In July 2001, the Company sold the subscriber list of and discontinued publishing Individual Investor magazine (see Note 3). In November 2001, the Company sold certain assets related to individualinvestor.com and subsequently discontinued its Online Services operations (see Note 4). As a result the Company has only one operating segment, the publishing of Individual Investor's Special Situations Report, therefore, the financial statements have been reclassified accordingly.

The Company's current levels of revenues are not sufficient to cover its expenses. The Company is not able to predict the magnitude of the licensing

revenues, if any, that it might obtain in connection with the Company's license of the America's Fastest Growing Companies(SM) Index to Nuveen Investments and the American Stock Exchange for the creation of an exchange-traded fund to be sponsored by Nuveen and based upon the America's Fastest Growing Companies(SM) Index. The licensing revenue to the Company would be owed quarterly once the exchange-traded fund based upon the America's Fastest Growing Companies(SM) Index began trading. Since the Company has minimal expenses associated with maintaining the America's Fastest Growing Companies(SM) Index, the royalties the Company may derive could have a high gross margin (the higher the royalty payments, the greater the gross margin). In March 2002, the Securities and Exchange Commission ("Commission") granted Nuveen the exemptive order it sought in order to be allowed to sponsor an exchange-traded fund based upon the Company's America's Fastest Growing Companies(SM) Index. Such an exchange-traded fund only could commence trading if a registration statement with respect to such fund was declared effective by the Commission. There can be no assurance, however, that Nuveen will seek to have the Commission declare effective, or that the Commission would declare effective, a registration statement with respect to such fund, or that an exchange-traded fund based upon the America's Fastest Growing Companies(SM) Index will commence trading. There also can be no assurance that, if it did commence trading, an exchange-traded fund based upon the America's Fastest Growing Companies(SM) Index would prove to be popular or that the Company will receive any material amount of revenues with respect to the licenses described in this paragraph. The Company recently announced three additional indexes, the America's Fastest Growing Companies(SM) MidCap Index, the America's Fastest Growing Companies(SM) LargeCap Index and the America's Fastest Growing Companies(SM) Total Growth Index and has developed additional indexes as well. The Company has had discussions with a variety of parties concerning the potential license of the Company's indexes for the creation of financial products. There can no assurance the Company will execute licensing agreements with respect to such indexes, that financial products based upon such indexes would enter the market or that the Company would derive any material revenues with respect to any such licenses.

20

<page>

The Company believes that its working capital and the amount it is entitled to receive from its sublessees will be sufficient to fund its operations and capital requirements through 2002. The Company's sublessees have been current on their rental payments to the Company and the Company does not currently have any reason to believe that any sublessee would fail to make the rental payments owed to the Company. In the event that the Company's sublessees failed to make the rental payments owed to the Company, the Company would need to obtain additional capital in order to sustain operations. There can be no assurance, however, that the Company would be able to obtain additional capital, nor can there be assurance as to the terms upon which the Company might be able to obtain additional capital. Obtaining additional capital could result in a substantial dilution of an investor's equity investment in the Company.

Principles of Consolidation - The consolidated financial statements include the accounts of Individual Investor Group, Inc. and its subsidiaries: Individual Investor Holdings, Inc., WisdomTree Capital Management, Inc., WisdomTree Administration, Inc., WisdomTree Capital Advisors, LLC, I.I. Interactive, Inc. I.I. Strategic Consultants, Inc. and Advanced Marketing Ventures, Inc.

Revenue Recognition - Advertising and circulation revenues are recognized, net of agency commissions and estimated returns and allowances, when publications are issued. Deferred subscription revenue, net of agency commissions, is recorded when subscription orders are received. In connection with the Magazine Sale (see Note 3), Kiplinger assumed the approximate \$2.6 million subscription liability of the Company at June 30, 2001. A portion of the income recognized from such assumption has been deferred and will be earned over the period of the related subscriptions. List rental income is recognized, net of agency commissions, when a list is provided. Revenues from equity-for-advertising transactions are recognized during the period in which the advertisements are run or the advertising credit expired.

Property and Equipment - Property and equipment are recorded at cost. Depreciation of property and equipment is calculated on the straight-line method over the estimated useful lives of the respective assets, ranging from three to five years. Leasehold improvements are amortized over the lesser of the useful life of the asset or the term of the lease.

Income Taxes - Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets may not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Financial Instruments - For financial instruments including cash and

cash equivalents, accounts receivable, accounts payable and accrued expenses, the carrying amount approximated fair value because of their short maturity. Cash equivalents consist of investments in a government fund that invests in securities issued or guaranteed by the U.S. Government, its agencies or instrumentalities, which have average maturities of 30 days.

Investments - Investment represents equity positions in VentureHighway.com Inc., Pricing Dynamics Solutions, Inc. (previously ReverseAuction.com, Inc.) and Tradeworx, Inc. There is currently no public market for these securities. Each investment was recorded at its historical cost until the Company determined that there was an other than temporary decline in its value. During the quarter ended December 31, 2000, the Company determined that there was an other than temporary decline in the value of the investment in VentureHighway and adjusted the carrying value to estimated fair market value (see Note 2). During the quarter ended September 30, 2001, the Company determined that there was an other than temporary decline in the value of the investments in Pricing Dynamics and Tradeworx and adjusted the carrying value (see Note 2).

21

<page>

Impairment of Long-Lived Assets - Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. In such situations, long-lived assets are considered impaired when estimated future cash flows (undiscounted and without interest charges) resulting from the use of the asset and its eventual disposition are less than the asset's carrying amount.

Stock-Based Compensation - In accordance with Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation," the Company continues to apply the measurement and recognition provisions of Accounting Principles Board Opinion No. 25 and related interpretations in accounting for issuance of employee stock options. The Company's general policy is to grant options with an exercise price not less than the fair market value of the Company's stock on the date of grant. Accordingly, no compensation expense has been recognized in the Company's statement of operations for fixed stock option grants awarded to employees. Transactions with non-employees in which goods or services are received by the Company for the issuance of stock options or other equity instruments are accounted for based on fair value, which is based on the value of the equity instruments or the consideration received, whichever is more reliably measured.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities reported in the financial statements. Significant accounting estimates used include estimates for sales returns and allowances, loss on discontinued operations, pro forma disclosures regarding the fair value of stock options granted in 2001 and 2000 and estimated fair market value of investment securities for which no public market exists. Actual results could differ materially from those estimates.

Recent Accounting Pronouncements - The Company on January 1, 2001 adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," which is effective for fiscal years beginning after June 15, 2000. SFAS No. 133, as amended, establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. Under SFAS No. 133, certain contracts that were not formally considered derivatives may now meet the definition of a derivative. The adoption of SFAS No. 133 did not have a significant impact on the financial position, results of operations, or cash flows of the Company.

In June 2001, the FASB approved the final standards resulting from its business combinations project. The FASB issued SFAS No. 141, "Business Combinations," and No. 142, "Goodwill and Other Intangible Assets," in July 2001. SFAS No. 141 is effective for any business combination accounted for by the purchase method that is completed after June 30, 2001. SFAS No. 142, which includes the requirements to test goodwill and intangible assets with indefinite lives for impairment, rather than amortize them, will be effective for fiscal years beginning after December 15, 2001. The Company believes that the adoption of SFAS No. 141 and No. 142 will not have a material impact on the financial position, results of operations, or cash flows of the Company.

In August 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations." SFAS No. 143 addresses financial accounting and reporting for obligations and costs associated with the retirement of tangible long-lived assets. The Company is required to implement SFAS No.143 on January 1, 2003, and has not yet determined the impact that this statement will have on its results of operations or financial position.

22

<page>

In October 2001, the FASB issued SFAS No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS No. 144 replaces SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of," and establishes accounting and reporting standards for long-lived assets to be disposed of by sale. This standard applies to all long-lived assets, including discontinued operations. SFAS No. 144 requires that those assets be measured at the lower of carrying amount or fair value less cost to sell. SFAS No. 144 also broadens the reporting of discontinued operations to include all components of an entity with operations that can be distinguished from the rest of the entity that will be eliminated from the ongoing operations of the entity in a disposal transaction. The Company is required to implement SFAS No. 144 on January 1, 2002, and has not yet determined the impact that this statement will have on its results of operations or financial position.

2. INVESTMENTS

On May 4, 2000, the Company and Tradeworx, Inc. ("Tradeworx") entered into an agreement pursuant to which the Company acquired 1,045,000 newly issued shares of common stock of Tradeworx, representing at the time a 7% stake (with warrants to acquire up to 10.5%), on a fully diluted basis, of Tradeworx. The purchase price was paid for in the form of a credit for Tradeworx to use to purchase advertising in the Company's magazines and websites during the 24 months ending August 1, 2002. The investment and the deferred advertising revenues were recorded at the fair market value at the date of the transaction of approximately \$1.1 million. Tradeworx is in the business of developing proprietary software and other financial analytical tools that provide online investment analysis and investment decision support platforms for retail and institutional investors and brokerage firms. There currently is no public market for Tradeworx securities.

The Company reviewed the operations and financial position of Tradeworx and concluded in the third quarter of 2001 that it had incurred an other than temporary decline in the value of its Tradeworx investment. The Company adjusted the carrying value to estimated fair market value and accordingly reduced the carrying value of its investment in Tradeworx by approximately \$1.1 million during the third quarter ended September 30, 2001.

On February 23, 2000, the Company and Pricing Dynamics Solutions, Inc. ("Pricing Dynamics") entered into an agreement pursuant to which the Company acquired 1,166,667 newly issued shares of common stock of Pricing Dynamics, representing at the time a 3.3% stake (on a fully-diluted basis) of Pricing Dynamics (constituting 7.4% of the then-outstanding shares). The purchase price was paid in the form of a credit for Pricing Dynamics to use to purchase advertising in the Company's magazines and web sites during the 21 months ending December 31, 2001. The investment and the deferred advertising revenues were recorded at the fair market value at the date of the transaction of approximately \$1.5 million.

Pricing Dynamics provides e-commerce tools and dynamic pricing software for the business-to-business, business-to-consumer and consumer-to-consumer markets. There currently is no public market for Pricing Dynamics securities.

The Company reviewed the operations and financial position of Pricing Dynamics and concluded in the third quarter of 2001 that it had incurred an other than temporary decline in the value of its Pricing Dynamics investment. The Company adjusted the carrying value to estimated fair market value. Accordingly, the Company reduced the carrying value of its investment in Pricing Dynamics by approximately \$1.5 million during the third quarter ended September 30, 2001.

On June 2, 1999, the Company, Kirlin Holding Corp ("Kirlin") and Venture Highway, Inc. (at the time a wholly-owned subsidiary of Kirlin), entered into an agreement pursuant to which the Company acquired 3,308,688 newly issued shares (adjusted to reflect subsequent stock splits) of common stock of VentureHighway, representing 19.9% of the then-outstanding shares of common stock (the other 80.1% of which immediately after the transaction were held by Kirlin). The purchase price was paid in the form of a credit for Venture Highway to use to purchase advertising in the Company's magazines and web sites during the 30 months ending December 31, 2001. The investment and the deferred advertising revenues were recorded at the fair market value at the date of the transaction of approximately \$2.6 million.

VentureHighway owned and operated VentureHighway.com, a branded web site designed to serve as an interactive portal for the matching of companies seeking funding with qualified investors seeking to fund such companies, and the facilitation of private placements and public offerings of securities of companies. In April 2000, VentureHighway acquired Princeton Securities, Inc., a retail-oriented broker-dealer based in Princeton, New Jersey. In December 2000, VentureHighway suspended the operations of its web site while it explored strategic alternatives. During the fourth quarter 2000, the Company became aware

of an other than temporary decline in the value of its Venture Highway investment and adjusted the carrying value to estimated fair market value. Accordingly, the Company reduced the carrying value of its investments by approximately \$2.6 million during the fourth quarter of the year-ended December 31, 2000. In December 2001, VentureHighway adopted a plan of dissolution and liquidation. The Company received a partial distribution in January 2002 from VentureHighway of approximately \$85,000.

3. SALE OF ASSETS

On July 9, 2001, the Company completed the transactions (the "Magazine Sale") contemplated by an agreement ("Agreement") with The Kiplinger Washington Editors, Inc. ("Kiplinger"), the publisher of Kiplinger's Personal Finance Magazine ("KPFM"). Pursuant to the Agreement, the Company, among other things:

- sold to Kiplinger the subscriber list to the Company's Individual Investor magazine ("II");
- agreed, until July 9, 2006, not to use the name "Individual Investor" for print periodical publishing or list rental purposes, except in connection with the Company's Individual Investor's Special Situations Report newsletter; and
- agreed to provide certain consulting services to Kiplinger until July 9, 2002.

In return, Kiplinger:

- agreed to provide II subscribers with KPFM, at no additional cost to II subscribers, for the number of issues of II that such subscribers have paid for but have not been served, representing approximately \$2.6 million of deferred subscription liability of the Company; and
- paid the Company \$3.5 million in cash, a portion of which was placed in escrow to secure certain obligations.

In connection with this transaction, the Company reduced its employee headcount by approximately 90% and announced that it would seek to sublet approximately 18,000 square feet of its office space. Arrangements for this sublease were finalized in January 2002. (see Note 7).

Realized gain on the sale of assets for the year ended December 31, 2001, was approximately \$2.2 million.

24

<page>

In September 2000, the Company sold certain assets related to Ticker magazine for cash consideration of approximately \$6.0 million, less an adjustment for certain current assets and liabilities and the assumption of certain liabilities and recognized a gain of approximately \$5.6 million.

4. DISCONTINUED OPERATIONS

In November 2001, the Company assigned to Telescan, Inc., certain of the Company's internet assets, including the domain name www.individualinvestor.com, in exchange for the 1,063,531 shares of the Company's Common Stock owned by Telescan and the Company subsequently discontinued its Online Services operations. The operating results relating to Online Services operations have been segregated from continuing operations and reported as a separate line item on the consolidated statements of operations as discontinued operations.

Upon the transfer of these assets to Telescan, the Company wrote off its remaining unamortized balance relating to a three-year license acquired in 1999 for propriety technology and investment tools used on the Company's web sites. The Company recognized a net loss on the transfer of these assets of approximately \$340,000 (included in loss from discontinued operations) that was primarily related to the write-off of (1) computer equipment that was written down to an estimated net salvage value (2) a web site service and license agreement acquired in 1999 that was abandoned as a result of the transfer and (3) accrued expenses related to the online operation through disposal date. No material expenses or revenues were incurred or recognized after the disposal date. The remaining assets (primarily computers and servers) are being utilized by the Company's ongoing operations.

The loss from discontinued operations consisted of the following:

	2001	2000
	----	----
Loss from operations	(\$527,408)	(\$ 683,088)
Loss from disposal	(340,445)	-

Total	----- (\$867,853) =====	----- (\$ 683,088) =====
-------	-------------------------------	--------------------------------

The loss from discontinued operations consisted of the following components:

Revenues and other income	\$1,256,331	\$ 3,188,022
	-----	-----
Loss from operations	(527,408)	(683,088)
Loss from disposal	(340,445)	-
	-----	-----
Total	(\$867,853)	(\$ 683,088)
	=====	=====

Net current liabilities at December 31, 2001 and 2000 related to discontinued operations are approximately \$336,000 and \$ 433,000, respectively.

In August 2000, the Company agreed to sell two Internet domain names for cash consideration of \$1.0 million. In connection with the sale, the Company also issued a warrant to purchase 250,000 shares of the Company's Common Stock at an exercise price of \$2.00 per share and relinquished the right to have its Common Stock trade under the ticker symbol "INDI" on the Nasdaq National Market (the Company began trading under the ticker symbol "IIGP" in October 2000). The fair market value of the issued warrant was approximately \$257,000 (see Note 10).

25

<page>

In September 2000, the Company sold certain assets related to the business of InsiderTrader.com for cash consideration of approximately \$500,000 and the assumption of certain liabilities. The unamortized balance of the InsiderTrader.com was written off at that time.

Online Services revenues from advertising, subscriptions and other sources for the year ended December 31, 2001 totaled approximately \$1.3 million, as compared to \$3.2 million in 2000, primarily due to a sharp decline in web-based advertising. Online services negative contribution to overhead decreased from approximately \$1.7 million in 2000 to \$0.4 million in 2001. Depreciation with respect to assets utilized by the online segment was approximately \$159,000 and \$104,000 in 2001 and 2000, respectively. Net gain relating to the sale of online assets was approximately \$1.1 million in 2000 as compared to a net loss of approximately \$0.3 million in 2001.

On April 30, 1998, the Company's Board of Directors decided to discontinue the Company's investment management services business. The Company recorded a provision to accrue for its share of net operating losses of the domestic investment fund and related costs that are expected to occur until the fund liquidates its investments. A final distribution of the investment fund's assets was received in December 2001. The Company received approximately \$9,000 in excess of the carrying amount that it had recorded in 1998 and recorded a gain accordingly.

5. PROPERTY AND EQUIPMENT

	December 31, 2001

Equipment	\$ 283,071
Furniture and fixtures	62,119
Leasehold improvements	127,834

	473,024
Less: accumulated depreciation and amortization	(319,055)

	\$ 153,969
	=====

Upon the completion of the sublease arrangements for office space (see Note 7) the Company abandoned the leasehold improvements related to the sublet space. Approximately, \$0.8 million was recognized as a loss upon the abandonment of the leasehold and has been included in the recorded gain on sale of investments and other assets.

6. ACCRUED EXPENSES

	December 31, 2001

Accrued commissions and employee compensation	\$43,195
Accrued newsstand promotion expenses	76,751
Accrued professional fees	34,896
Prepaid sublease rentals	148,804
Other	13,100

<page>

7. COMMITMENTS AND CONTINGENCIES

Litigation - The Company from time to time is involved in ordinary and routine litigation incidental to its business; the Company currently believes that there is no such pending legal proceeding that would have a material adverse effect on the consolidated financial statements of the Company.

Profit Sharing Plan - The Company has a profit sharing plan (the "Plan"), subject to Section 401(k) of the Internal Revenue Code. All employees who complete at least two months of service and have attained the age of 21 are eligible to participate. The Company can make discretionary contributions to the Plan, but none were made in 2001 and 2000.

Lease Agreements - The Company leases office space in New York City under an operating lease that expires on March 31, 2004. The Company also subleases its former office space in New York City under an operating lease that expires March 1, 2005. Rent expense for the years ended December 31, 2001 and 2000 was approximately \$1.2 million and \$1.0 million. In May 2001, the Company commenced a sublease of a portion of its headquarters office space to an unrelated third party and in January 2002 the Company commenced a sublease of another portion of its headquarters office space to a different unrelated third party. The Company retains approximately 11% of its headquarters office space. The Company subleases its former office space to an unrelated third party. All of the above leases and subleases provide for escalation of lease payments as well as real estate tax increases. Future minimum lease payments and related sublease rentals receivable with respect to non-cancelable operating leases are approximately as follows:

Year	Future Minimum Rental Payments	Rents Receivable Under Sublease
2002	\$1,302,000	\$1,259,000
2003	1,307,000	1,318,000
2004	490,000	493,000
2005	36,000	35,000
Thereafter	0	0
Total	\$3,135,000	\$3,105,000

The Company has an outstanding letter of credit totaling \$332,500 related to the security deposit for the Company's New York City corporate office space. The Company has received letters of credit from its sublease tenants in the aggregate amount of approximately \$145,000.

8. INCOME TAXES

The Company has available net operating loss carryforwards ("NOL") totaling approximately \$24.0 million. Based upon a change of ownership, which transpired in December 1991, the utilization of approximately \$2.1 million of pre-change NOL are limited in accordance with Section 382 of the Internal Revenue Code, which affects the amount and timing of when the NOL can be offset against taxable income. The Company also has an unrealized tax loss of approximately \$6.1 million related to the impairment of its investments (see Note 2). The tax effects of temporary differences from discontinuing and continuing operations that give rise to significant portions of the deferred tax assets and liabilities at December 31, 2001 and 2000, respectively, are presented below:

	2001	2000
Deferred tax assets:		
Net operating loss carryforwards	\$10,822,000	\$10,426,000
Unrealized tax loss	2,473,000	1,187,000
Tax in excess of book basis of investment in fund	-	71,000
Deferred revenues	625,000	-
Net fixed assets	290,000	200,000
Other	254,000	298,000
Total	14,464,000	12,182,000
Deferred tax liabilities:	-	-
	14,464,000	12,182,000
Less: valuation allowance	14,464,000	12,182,000
Net deferred tax asset	\$ -	\$ -

<page>

The provision for income taxes from continuing and discontinued operations for the years ended December 31, 2001 and 2000, respectively, is different than the amount computed using the applicable statutory Federal income tax rate with the difference summarized below:

	2001 ----	2000 ----
Hypothetical income tax benefit		
at the US Federal statutory rate	(\$1,563,000)	(\$953,000)
Hypothetical State and local income taxes benefit,		
less US Federal income tax benefit	(447,000)	(272,000)
Permanent differences	118,000	48,000
Unrealized tax loss	1,286,000	1,187,000
Discontinued operations	(390,000)	(308,000)
Net operating loss benefit not recognized	996,000	298,000
	-----	-----
	\$ -	\$ -
	=====	=====

9. STOCK OPTIONS

The Company has six stock option plans: the 1991 Stock Option Plan, the 1993 Stock Option Plan, the 1996 Performance Equity Plan, the 1996 Management Incentive Plan; the 2000 Performance Equity Plan ("2000 Plan") and the 2001 Performance Equity Plan ("2001 Plan") (collectively, the "Plans"). Under the Plans, the Company can issue a maximum of 4,200,000 shares of Common Stock pursuant to stock options and other stock-based awards. Options issued pursuant to the Plans may be exercisable for a period of up to 10 years from the date of the grant. Options granted pursuant to the 1991 Stock Option Plan must be at an exercise price which is not less than the fair market value at the date of grant; options granted pursuant to the other Plans may have, but to date have not had, exercise prices less than the fair market value at the date of grant.

In addition to the Plans, the Company has options outstanding that were granted outside of the Plans. These options were granted at fair market value at the date of grant and expire at various dates through December 14, 2009.

Activity in the Plans noted above is summarized in the following table:

	2001 ----		2000 ----	
	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
	-----	-----	-----	-----
Options outstanding, January 1	1,291,043	\$2.90	1,359,601	\$2.57
Granted	1,109,000	\$0.46	905,909	\$2.93
Exercised	(62,697)	-	(112,618)	\$0.99
Canceled	(1,006,845)	\$2.41	(861,849)	\$2.67
	-----	-----	-----	-----
Balance, December 31	1,330,501	\$1.37	1,291,043	\$2.90
	=====	-----	=====	-----

<page>

Options exercisable under the Plans at December 31, 2001 and 2000, respectively, were 457,876 and 568,527, respectively, at weighted average exercise prices of \$2.71, and \$3.32, respectively. At December 31, 2001 and 2000, respectively, options available for grant under the Plans were 2,020,347 and 1,138,502, respectively, while total shares of Common Stock reserved for future issuances under the Plans were 3,350,848 and 2,429,545, respectively.

In April 2001, the Company's board of directors approved the 2001 Performance Equity Plan ("2001 Plan"). The 2001 Plan covers 1,000,000 shares of the Company's common stock, and is similar to the Company's 1993, 1996 and 2000 Plans, except that incentive options may not be granted since shareholder approval for the 2001 Plan will not be obtained within one year of its adoption. The Company's stock option committee will administer the 2001 Plan.

Options granted outside of the Plans are as follows:

	2001 ----		2000 ----	
	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
	-----	-----	-----	-----

Options outstanding, January 1	1,658,150	\$2.73	2,495,900	\$2.63
Granted	-	-	-	-
Exercised	-	-	-	-
Canceled	(289,500)	\$2.45	(837,750)	\$2.42
	-----		-----	
Balance, December 31	1,368,650	\$2.79	1,658,150	\$2.73
	=====		=====	

Options granted outside the Plans that were exercisable at December 31, 2001 and 2000, respectively, were 1,358,650 and 1,465,566, respectively, at weighted average exercise prices of \$2.79 and \$2.72, respectively.

The following table summarizes information about total stock options outstanding at December 31, 2001:

<Table>
<Caption>

Options Outstanding				Options Exercisable	
Range of Exercise Average Price	Number Outstanding at 12/31/2001	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Number Exercisable at 12/31/2001	Weighted- Exercise
Prices					
-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
\$0.4062- \$1.250	1,645,667	6.23	\$0.84	796,667	
\$1.24					
\$2.01	511,500	3.57	\$2.24	487,875	
\$5.57	541,984	1.06	\$5.55	531,984	
	-----			-----	
\$2.77	2,699,151	4.69	\$2.05	1,816,526	
	=====			=====	

</Table>

Pro forma information regarding net income and earnings per share is required by SFAS No. 123, and has been determined as if the Company had accounted for its employee stock options granted under the fair value method of SFAS No. 123. The fair value for these options was estimated at the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions for 2001 and 2000, respectively: risk-free interest rates of 5.4% and 6.5%, respectively; volatility factors of the expected market price of the Company's Common Stock of 124% and 87%, respectively; weighted-average fair value of options granted of \$0.51, and \$2.41, respectively; and a weighted-average expected life of the options of 5 years.

29

<page>

For purposes of pro forma disclosures, the estimated fair value of the options is amortized to expense over the options' vesting period. The Company's pro forma information follows:

	2001	2000
	----	----
Net loss from continuing operations:		
As reported	(\$4,465,503)	(\$2,722,701)
Pro forma	(\$4,692,649)	(\$3,187,171)
Loss from continuing operations per weighted average common share:		
As reported	(\$0.52)	(\$0.28)
Pro forma	(\$0.55)	(\$0.32)

The impact of the estimated fair value of the options has no effect on the reported loss or income from discontinued operations. The effects of applying SFAS No. 123 in this pro forma disclosure are not indicative of future amounts because additional stock option awards in future years are anticipated.

On May 10, 2001 the Stock Option Committee pursuant to the Company's 2000 Plan, awarded 223,000 shares of authorized but unissued Common Stock in the aggregate to certain employees subject to the terms of a restricted stock agreement. Subsequently through December 31, 2001, affected employees forfeited 194,000 of these shares due to the sale of the subscriber list and the termination of employment. These shares are available for reissuance. The 29,000 restricted shares outstanding at December 31, 2001 have a compensation value of \$13,050, which is being amortized ratably over the employment period required to earn such shares.

On July 19, 2000, the Stock Option Committee, pursuant to the Company's

2000 Performance Equity Plan, awarded 150,000 shares of authorized but unissued Common Stock in the aggregate to certain employees subject to the terms of a restricted stock agreement. 25,500 of such shares were issued and earned by various employees and earnings for the year ended December 31, 2000 and the Company recorded a compensation expense of approximately \$42,000 with respect to these shares. An additional 84,500 of such shares were granted and issued to employees at a compensation value of approximately \$143,000, which amount was amortized ratably over the employment period required to earn such shares. The remaining 40,000 of such shares were forfeited in 2000 and are available for reissuance. Employees who terminated their employment in 2001 prior to the vesting date forfeited 3,000 restricted shares that were granted in July 2000. Additionally, 19,803 shares that were earned by employees were returned to the Company as payment of various withholding taxes associated with the grant of a portion of the 84,500 shares. These shares are available for reissuance.

10. STOCKHOLDERS' EQUITY

Cancellation of Common Stock - In connection with the November 2001 sale of certain assets by the Company to Telescan, Inc., the Company received as consideration 1,063,531 shares of the Company's Common Stock, which represented 100% of Telescan's shareholdings of Company Common Stock on that date. (See issuance of Common Stock below). These shares were retired by the Company and are part of the authorized but unissued shares. As a result, the Company's outstanding shares of Common Stock was reduced by approximately 12%, to approximately 7.9 million shares at December 31, 2001 from approximately 9.0 million shares at December 31, 2000.

30

<page>

Issuance of Preferred Stock - On December 2, 1998, the Company issued a total of 10,000 shares of Series A Preferred Stock ("Series A Preferred Stock") to two parties unrelated to the Company pursuant to Stock Purchase Agreements, for an aggregate purchase price of \$2.0 million. The Series A Preferred Stock has a par value of \$.01 per share and a stated value of \$200 per share. The Series A Preferred Stock is convertible into the Company's Common Stock at a conversion price of \$2.12 per share, subject to adjustment for stock splits, recapitalizations, and the like. Any unconverted shares will be subject to mandatory conversion into the Company's Common Stock on December 31, 2003. The Series A Preferred Stock will be entitled to receive a cumulative ten percent (10%) per annum cash dividend, payable annually on December 31 of each year, commencing December 31, 1999, or, if earlier, upon conversion of the shares of Series A Preferred Stock. The Series A Preferred Stock shall have a liquidation preference of \$200 per share plus any accrued and unpaid dividends. Shares of Common Stock into which the Series A Preferred Stock may be converted were registered for resale in October 1999. On September 21, 2000, 2,120 shares Series A Preferred Stock were converted at the conversion price of \$2.12 per share into 200,000 shares of Common Stock. At December 31, 2000, 7,880 shares of Series A Preferred Stock remained outstanding. No preferred was issued in 2001.

Warrants - In 1998, in connection with consulting and recruiting services provided, the Company issued warrants to purchase up to 362,500 shares of Common Stock at exercise prices ranging from \$1.1875 to \$2.15625. The warrants were valued at \$337,113 using the Black-Scholes options pricing model. Of the warrants issued in 1998, 300,000 may be exercised at any time until December 15, 2003 and 62,500 were cancelled during 2000.

In 1999, in connection with consulting and recruiting services provided, the Company issued warrants to purchase up to 138,750 shares of Common Stock at exercise prices ranging from \$2.6255 to \$3.40625. The warrants were valued at \$288,211 using the Black-Scholes options pricing model. During 2000, 43,750 of the warrants issued in 1999 expired unexercised and 50,000 of the warrants issued in 1999 were cancelled. During 2001, 30,000 of the warrants issued in 1999 were cancelled and the remaining 15,000 may be exercised at any time until November 28, 2004.

In 2000, in connection with the sale by the Company of two Internet domains for cash consideration of \$1.0 million, the Company issued a warrant to purchase 250,000 shares of the Company's Common Stock at an exercise price of \$2.00 per share (see Note 3). This warrant may be exercised at any time until August 10, 2003.

11. ACCOUNTS RECEIVABLE FINANCING

In August 2000, the Company entered into a securitization facility with an unrelated financial services company. Under the terms of the facility, the Company could transfer an undivided ownership interest in certain trade accounts receivable to the financial services company. The Company received cash from the third party based on a formula of a percentage of the face value of the eligible transferred receivables, less certain fees. The maximum amount of transferred receivables that could be outstanding under this facility was \$2.0 million. The Company paid a variable interest rate (prime plus 1.5%) during the period from when a receivable was transferred until the time the third party collected and remitted the balance of the receivable. During 2001 and 2000, this interest rate averaged approximately 7.7% and 11%, respectively. The Company retained the

<page>

the customer subsequently defaulted on payment. The Company had no credit losses under this facility during the period. The Company recorded interest expense of approximately \$25,000 and \$0.1 million for the years ended December 31, 2001 and 2000 that has been recorded as part of promotion and selling expense. The securitization facility was to end September 30, 2002, subject to earlier termination in accordance with the contract. Following the Magazine Sale on July 9, 2001 (see Note 3) the facility was terminated in accordance with the contract terms. At September 30, 2001 all receivables previously transferred and not collected by the facility were recoured to the Company. The cancellation cost of the contract is reflected as a cost of the Magazine Sale (see Note 3) and has reduced the net gain thereof accordingly.

12. LOSS PER COMMON SHARE

Basic net loss per common share is computed by dividing the net loss, after deducting dividends on cumulative convertible preferred stock, by the weighted average number of shares of Common Stock outstanding during the period. Diluted loss per common share is computed using the weighted average number of outstanding shares of Common Stock and common equivalent shares during the period. Common equivalent shares consist of the incremental shares of Common Stock issuable upon the exercise of stock options, warrants and other securities convertible into shares of Common Stock. The loss per common share for 2001 and 2000 is computed based on the weighted average number of shares of Common Stock outstanding during the respective period. The exercise of stock options, warrants and other securities convertible into shares of Common Stock were not assumed in the computation of dilutive loss per common share, as the effect would have been antidilutive.

The computation of net loss applicable to common shareholders is as follows:

	2001 ----	2000 ----
Net loss from continuing operations	(\$4,465,503)	(\$2,722,701)
Preferred stock dividends	(157,600)	(188,709)
	-----	-----
Net loss from continuing operations applicable to common shareholders	(4,623,103)	(2,911,410)
Loss from discontinued operations	(867,853)	(683,088)
	-----	-----
Net loss applicable to common shareholders	(\$5,490,956) =====	(\$3,594,498) =====

13. SEGMENT INFORMATION

The Company's business segments were focused on providing research and analysis of investment information to individuals and investment professionals through two operating segments: Print Publications and Online Services. The Company's Print Publications segment continues to publish Individual Investor's Special Situations Report, a financial investment newsletter, and until July 2001 published and marketed Individual Investor, a personal finance and investment magazine. In addition, between approximately October 1996 and September 2000, the Company's Print Publications segment also included Ticker, a magazine for investment professionals. The Company's Online Services segment was discontinued subsequent to the sale in November 2001 of certain assets related to individualinvestor.com. In addition, the Company's Online Services segment included InsiderTrader.com between approximately November 1999 and September 2000. See Note 3 for a description of the respective sales of assets related to Individual Investor magazine, Ticker magazine, individualinvestor.com and InsiderTrader.com. The financial statements for the years ended December 31, 2001 and 2000 have been restated to show the results of Online Services as a discontinued operation. The restated financials have been prepared consistent with the way such data is utilized by Company management in evaluating operating results. As a result the Company now operates with one segment.

<page>

14. SUPPLEMENTARY INFORMATION - SELECTED QUARTERLY DATA (Unaudited)

<Table>
<Caption>

	2001 Quarters			
	1st ---	2nd ---	3rd ---	4th ---
<S>	<C>	<C>	<C>	<C>
Revenues	\$2,622,660	\$1,562,638	\$711,647	\$1,033,049

Operating expenses	4,273,252	3,539,533	729,388	593,849
Gain on sale of assets	-	(66,012)	2,197,844	43,665
Impairment of investment	-	-	(2,678,546)	(851,722)
--				
Operating loss	(1,650,592)	(2,042,907)	(498,443)	(368,857)
Investment and other income	52,419	15,855	19,214	7,808
--				
Net loss from continuing operations	(1,598,173)	(2,027,052)	(479,229)	(361,049)
Loss from discontinued operations	(57,006)	(310,457)	(248,523)	(251,867)
--				
Net loss	===== (\$1,655,179)	===== (\$2,337,509)	===== (\$727,752)	===== (\$612,916)

Basic and dilutive loss per common share:

Continuing operations	(\$0.18)	(\$0.23)	(\$0.06)	(\$0.05)
Discontinued operations	(\$0.01)	(\$0.03)	(\$0.03)	(\$0.03)
--				
Net loss per share	===== (\$0.19)	===== (\$0.26)	===== (\$0.09)	===== (\$0.08)

Average number of common shares used in
in computing loss per common share

8,972,672	9,093,775	8,909,661	8,380,657
-----------	-----------	-----------	-----------

	1st	2000 Quarters 2nd	3rd	4th
	---	---	---	---
Revenues	\$4,940,998	\$4,256,607	\$4,627,936	\$2,765,241
Operating expenses	6,511,769	5,534,800	5,859,147	4,648,844
Gain on sale of assets	-	-	5,603,227	
-				
Impairment of investment (2,638,356)	-	-	-	

Operating income (loss) (4,521,959)	(1,570,771)	(1,278,193)	4,372,016	
Investment and other income	68,299	58,518	74,873	74,516

Net income (loss) from continuing operations (4,447,443)	(1,502,472)	(1,219,675)	4,446,889	
Gain (loss) from discontinued operations (448,056)	(94,111)	(650,270)	509,349	

Net income (loss) (\$4,895,499)	===== (\$1,596,583)	===== (\$1,869,945)	===== \$4,956,238	

Basic (loss) income per common share:

Continuing operations (\$0.43)	(\$0.15)	(\$0.12)	\$0.42
Discontinued operations (\$0.04)	(\$0.01)	(\$0.06)	\$0.05

Net loss per share (\$0.47)	===== (\$0.16)	===== (\$0.18)	===== \$0.47

Average number of common shares used in
in computing basic income(loss) per
per common share

10,363,991	10,392,173	10,413,519
------------	------------	------------

Dilutive income (loss) per common share

Continuing operations (\$0.43)	(\$0.15)	(\$0.12)	\$0.40
Discontinued operations (\$0.04)	(\$0.01)	(\$0.06)	\$0.04
----	-----	-----	-----
Net loss per share (\$0.47)	(\$0.16)	(\$0.18)	\$0.44
=====	=====	=====	=====
Average number of common shares used in in computing loss per common share 10,485,781	10,363,991	10,392,173	11,182,167

</Table>

33

<page>

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

PART III

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER

The information required by this Item 10 is incorporated by reference to the information captioned "Election of Directors" included in the Company's definitive proxy statement in connection with the 2002 Annual Meeting of Stockholders (the "Proxy Statement").

ITEM 10. EXECUTIVE COMPENSATION

The information required by this Item 11 is incorporated by reference to the information captioned "Election of Directors - Executive Compensation" included in the Proxy Statement.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this Item 12 is incorporated by reference to the information captioned "Voting Securities" included in the Proxy Statement.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this Item 13 is incorporated by reference to the information captioned "Election of Directors - Related Transactions" included in the Proxy Statement.

ITEM 13. EXHIBITS AND REPORTS ON FORM 8-K

(a) (1) Financial Statements

The following financial statements of the Issuer are filed as part of this report:

- Independent Auditors' Report;
- Consolidated Balance Sheets as of December 31, 2001;
- Consolidated Statements of Operations for the Years Ended December 31, 2001 and 2000;
- Consolidated Statements of Stockholders' Equity (Deficit) for the Years Ended December 31, 2001 and 2000;
- Consolidated Statements of Cash Flows for the Years Ended December 31, 2001 and 2000; and
- Notes to Consolidated Financial Statements

34

<Page>

(a) (3) Exhibits

<Table>

<Caption>

Exhibit No. Description
<S> <C>

Method of Filing
<C>

3.1 Amended and Restated Certificate of Incorporation Incorporated by reference to Exhibit

3.2 to the 30, 1999	of the Issuer, as amended through June 22, 1999	Form 10-Q for the quarter ended June (the "6/99 Form 10-Q")
3.2 3.3	Bylaws of the Issuer amended through April 27, 1999	Incorporated by reference to Exhibit to the 6/99 Form 10-Q
4.1 4.1	Specimen Certificate for Common Stock of the Issuer	Incorporated by reference to Exhibit to the Issuer's Registration (File No. 33-43551-NY) (the "Form S-18")
4.2 10.1 to (the	Certificate of Designations, Preferences and Other Rights and Qualifications of Series A Preferred Stock	Incorporated by reference to Exhibit the Form 8-K filed December 14, 1998 "12/14/98 Form 8-K")
4.3 10.1 to	Stock Purchase Agreement dated as of November 30, 1998 between the Issuer and Great American Insurance Company	Incorporated by reference to Exhibit the 12/14/98 Form 8-K
4.4 10.2 to	Stock Purchase Agreement dated as of November 30, 1998 between the Issuer and Great American Life Insurance Company	Incorporated by reference to Exhibit the 12/14/98 Form 8-K
4.5 4.1	Agreement dated as of July 9, 2001 between Issuer and The Kiplinger Washington Editors, Inc. ("Kiplinger")	Incorporated by reference to Exhibit to the Form 8-K filed July 19, 2001
10.1+ 10.2	Indemnification Agreement dated as of August 19, 1991, between the Issuer and Bruce L. Sokoloff	Incorporated by reference to Exhibit to the Form S-18
10.2+ 10.3 to	Indemnification Agreement dated as of August 19, 1991, between the Issuer and Jonathan L. Steinberg	Incorporated by reference to Exhibit the Form S-18
10.3+ 10.4 December 31,	Indemnification Agreement dated as of June 19, 1996, between the Issuer and Peter M. Ziemba	Incorporated by reference to Exhibit to the Form 10-K for the year ended 1998 (the "1998 Form 10-K")
10.4+ 10.1 to March 31, 1999	Indemnification Agreement dated as of June 17, 1998, between the Issuer and S. Christopher Meigher III	Incorporated by reference to Exhibit the Form 10-Q for the quarter ended
10.5+ 10.6 to September 30,	Indemnification Agreement dated as of September 14, 1998, between the Issuer and Gregory E. Barton	Incorporated by reference to Exhibit the Form 10-Q for the quarter ended 1998 (the "9/98 Form 10-Q")
10.6+ 10.2 to March 31, 2000	Indemnification Agreement dated as of December 15, 1999, between the Issuer and E. Drake Mosier	Incorporated by reference to Exhibit the Form 10-Q for the quarter ended
10.7+ 10.1 to the June 30, 1998	Agreement with Robert Schmidt dated May 25, 1998	Incorporated by reference to Exhibit Form 10-Q for the quarter ended (the "6/98 Form 10-Q")
10.8+ 10.2 to	Agreement with Scot Rosenblum dated June 20, 1998	Incorporated by reference to Exhibit the 6/98 Form 10-Q
10.9+ 10.1 to March 31, 1998	Agreement with Michael J. Kaplan dated April 1, 1998	Incorporated by reference to Exhibit the Form 10-Q for the quarter ended
10.10+ 10.5 to	Indemnification Agreement dated as of September 14, 1998 between the Issuer and Brette Popper	Incorporated by reference to Exhibit the 9/98 Form 10-Q

10.11+ 10.3 to	Indemnification Agreement dated as of October 8, 1998 between the Issuer and Henry G. Clark	Incorporated by reference to Exhibit the 9/98 Form 10-Q
10.12+ 10.5 to the September 30, 1999	Indemnification Agreement dated as of August 16, 1999 between the Issuer and David H. Allen	Incorporated by reference to Exhibit Form 10-Q for the quarter ended
10.13+ 10.13 to	Form of 1991 Stock Option Plan of the Issuer	Incorporated by reference to Exhibit the Form S-18
10.14+ 4.2 to on Form S-8	Form of 1993 Stock Option Plan of the Issuer	Incorporated by reference to Exhibit the Issuer's Registration Statement (File No. 33-72266)
10.15+ 10.43 to December 31, 1995	Form of 1996 Performance Equity Plan of the Issuer	Incorporated by reference to Exhibit the Form 10-KSB for the year ended (THE "1995 Form 10-KSB")
10.16+ 4.10 to on Form S-8	Form of 1996 Management Incentive Plan of the Issuer	Incorporated by reference to Exhibit the Issuer's Registration Statement (File No. 333-17697)
10.17+ A May 17, 2000	Form of 2000 Performance Equity Plan of the Issuer	Incorporated by reference to Appendix to definitive Proxy Statement dated
10.18+ 10.4 to June 30, 1997	Form of Stock Option Agreement dated as of May 9, 1997 between the Issuer and each of Jonathan Steinberg, Robert Schmidt, Scot Rosenblum, and Michael Kaplan	Incorporated by reference to Exhibit the Form 10-QSB for the quarter ended
10.19+ 10.21 to	Agreement dated as of November 19, 1998 between Jonathan Steinberg and the Issuer	Incorporated by reference to Exhibit the 1998 Form 10-K
36		
<page> 10.20+ 10.4	Stock Option Agreement dated as of September 14, 1998 between the Issuer and Gregory E. Barton	Incorporated by reference to Exhibit to the 9/98 Form 10-Q
10.21+ 10.3 to	Employment Agreement dated as of July 21, 1998 between the Issuer and Gregory E. Barton	Incorporated by reference to Exhibit the 9/98 Form 10-Q
10.22+ 10.22 to December 31, 2000	Employment Agreement dated as of December 7, 2000 between the Issuer and Howard B. Lorch	Incorporated by reference to Exhibit the Form 10-K for the year ended (the "2000 Form 10-K")
10.23+	Stock Option Agreement dated as of January 3, 2001 between the Issuer and Jonathan L. Steinberg	Filed herewith
10.24+	Stock Option Agreement dated as of January 3, 2001 between the Issuer and Gregory E. Barton	Filed herewith
10.25 10.25 to December 31,	Trademark License Agreement dated as of June 19, 1992 between the Issuer and the American Association of Individual Investors, Inc.	Incorporated by reference to Exhibit the Form 10-KSB for the year ended 1992
10.26 10.37 to the December 31, 1994	Form of Partnership Agreement for WisdomTree Associates, L.P.	Incorporated by reference to Exhibit Form 10-KSB for the year ended (the "1994 Form 10-KSB")
10.27 10.38 to	WisdomTree Capital Advisors, LLC Agreement dated as of November 1, 1995	Incorporated by reference to Exhibit the 1994 Form 10-KSB

10.28 10.39 to	Agreement dated as of December 1, 1995 between WisdomTree Offshore L.T.D., WisdomTree Capital Management, Inc. and WisdomTree Capital Advisors, LLC	Incorporated by reference to Exhibit the 1994 Form 10-KSB
10.29 10.41 to	Office sublease dated as of December 8, 1995 between the Issuer and Porter Novelli, Inc.	Incorporated by reference to Exhibit the 1995 Form 10-KSB
37		
<page>		
10.30 10.42 to	Office sublease dated as of January 1996 between the Issuer and VCH Publishers, Inc.	Incorporated by reference to Exhibit the 1995 Form 10-KSB
10.31 10.31 to	Lease dated as of November 30, 1998 between the Issuer and 125 Broad Unit C LLC	Incorporated by reference to Exhibit the 1998 Form 10-K
10.32 10.22 to the December 31, 1993	Office Lease dated as of January 10, 1994 between the Issuer and 333 7th Ave. Realty Co.	Incorporated by reference to Exhibit Form 10-KSB for the year ended
10.33	Agreement of Sublease dated as of May 7, 2001 between the Issuer and Professional Access Limited	Filed herewith
10.34	Agreement of Sublease dated as of December 18, 2001 between the Issuer and Fahnestock & Co. Inc.	Filed herewith
10.35 10.1 to "6/16/99	Agreement dated as of June 2, 1999 between the Issuer, Kirilin Holding Corp. and VentureHighway.com Inc.	Incorporated by reference to Exhibit the Form 8-K filed June 16, 1999 (the Form 8-K")
10.36 10.2 to	Stockholder Agreement dated as of June 2, 1999 between the Issuer, Kirilin Holding Corp. and VentureHighway.com Inc.	Incorporated by reference to Exhibit the 6/16/99 Form 8-K
10.37 10.3 to	Securities Purchase Agreement dated as of June 2, 1999 between the Issuer and Kirilin Holding Corp	Incorporated by reference to Exhibit the 6/16/99 Form 8-K
10.38 10.1 to	Form of Warrant dated as of December 16, 1998	Incorporated by reference to Exhibit the 6/99 Form 10-Q
10.39 10.2 to	Letter dated as of April 28, 1999 between the Issuer, Great American Life Insurance Company and Great American Insurance Company	Incorporated by reference to Exhibit the 6/99 Form 10-Q
10.40 10.8 to the Form S-3 333-89933)	Stock Purchase Agreement dated as of September 29, 1999 between the Issuer and Telescan, Inc	Incorporated by reference to Exhibit Issuer's Registration Statement on dated October 29, 1999 (File No. (the "10/29/99 Form S-3")
10.41 10.9 to	Letter Agreement dated as of September 29, 1999 between the Issuer and Telescan, Inc.	Incorporated by reference to Exhibit the 10/29/99 Form S-3
10.42 10.1 to September 30,	Factoring Agreement dated as of August 1, 2000 between SYSTRAN Financial Services Corporation and the Issuer, as amended	Incorporated by reference to Exhibit the Form 10-Q for the quarter ended 2000 (the "9/00 Form 10-Q")
10.43 10.2 to	Asset Purchase Agreement dated as of September 28, 2000 between the Issuer and 123Jump.com, Inc.	Incorporated by reference to Exhibit the 9/00 Form 10-Q
10.44 10.40 to	Stock Purchase Agreement dated as of December 15, 2000 between the Issuer and Wise Partners, L.P.	Incorporated by reference to Exhibit the 2000 Form 10-K
10.45+ 10.1 to the	Indemnification Agreement between Issuer and Howard B. Lorch dated January 1, 2001	Incorporated by reference to Exhibit Form 10-QSB for the quarter ended

March 31, 2001

10.46 4.1 to	Escrow Agreement dated as of July 9, 2001 by and among Issuer, Kiplinger and Riggs National Bank of Washington, D.C.	Incorporated by reference to Exhibit the Form 8-K filed July 19, 2001
10.47 4.1 to	Escrow Agreement dated as of July 11, 2001 by and among Issuer, Kiplinger and First Union National Bank	Incorporated by reference to Exhibit the Form 8-K filed July 19, 2001
10.48	Asset Purchase Agreement dated as of October 22, 2001 between the Issuer and Telescan, Inc.	Filed herewith
11	Computation of (Loss) Income Per Share	Filed herewith
21	Subsidiaries of the Issuer	Filed herewith
23.1	Consent of Independent Auditors-Deloitte & Touche LLP	Filed herewith
99 </Table>	Risk Factors	Filed herewith

+ Management contract or compensatory plan or arrangement required to be filed
as an Exhibit to this Form 10-KSB.

(b) Reports on Form 8-K

The Company filed a Form 8-K on January 11, 2002 with respect to the execution
of an agreement of sublease dated December 18, 2001, which received written
consent of the underlying landlord on January 11, 2002.

38

<Page>

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act of 1934, the Issuer
caused this report to be signed on its behalf by the undersigned, thereunto duly
authorized.

INDIVIDUAL INVESTOR GROUP, INC.

Date: March 29, 2002

By: /s/ Jonathan L. Steinberg

Jonathan L. Steinberg
Chief Executive Officer

In accordance with the Exchange Act, this report has been signed below by the
following persons on behalf of the Issuer and in the capacities and on the dates
indicated.

Signature	Title	Date
/s/ Jonathan L. Steinberg ----- Jonathan L. Steinberg	Chief Executive Officer and Director	March 29, 2002
/s/ Gregory E. Barton ----- Gregory E. Barton	President, Chief Financial Officer (Principal Financial Officer)	March 29, 2002
/s/ Howard B. Lorch ----- Howard B. Lorch	Vice President, Controller (Principal Accounting Officer)	April 1, 2002
/s/ S. Christopher Meigher III ----- S. Christopher Meigher III	Director	March 29, 2002
_____ E. Drake Mosier	Director	March __, 2002
/s/ Bruce L. Sokoloff -----	Director	March 29, 2002

Bruce L. Sokoloff

/s/ Peter M. Ziembra

Peter M. Ziembra

Director

March 29, 2002

STOCK OPTION AGREEMENT

This STOCK OPTION AGREEMENT (the "Agreement") is entered into as of the 3rd day of January, 2001, by and between INDIVIDUAL INVESTOR GROUP, INC., a Delaware corporation (the "Company"), and Jonathan L. Steinberg (the "Employee").

WHEREAS, on January 3, 2001 (the "Grant Date"), Board of Directors of the Company (the "Board") authorized the grant to the Employee of an option (the "Option") to purchase an aggregate of 420,000 shares of the authorized but unissued common stock, \$.01 par value ("Common Stock") of the Company, including 176,480 shares of Common Stock ("1996 Option Shares") pursuant to the terms and conditions of the Company's 1996 Performance Equity Plan ("1996 Plan"), 121,666 shares of Common Stock ("Management Option Shares") pursuant to the terms and conditions of the Company's 1996 Management Incentive Plan ("Management Plan") and 121,854 shares of Common Stock ("2000 Option Shares," and with the 1996 Option Shares and the Management Option Shares, the "Option Shares") pursuant to the terms and conditions of the Company's 2000 Performance Equity Plan ("2000 Plan," and with the 1996 Plan and Management Plan, individually a "Plan" and collectively, the "Plans"), conditioned upon the Employee's acceptance of the grant of the Option upon the terms and conditions set forth in this Agreement and subject to the terms of each of the respective Plans; and

WHEREAS, the Employee desires to acquire the Option upon the terms and conditions set forth in this Agreement and subject to the terms of each of the respective Plans;

IT IS AGREED:

1. Grant of Stock Option. The Company hereby grants the Employee the Option to purchase all or any part of an aggregate of 420,000 shares of Common Stock on the terms and conditions set forth herein and subject to the provisions of each of the respective Plans.

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

3. Exercise Price. The exercise price of the Option is \$0.48125 per share, subject to adjustment as hereinafter provided.

4. Exercisability. This Option shall be exercisable, subject to the terms and conditions of this Agreement, as follows:

(a) With regard to the 1996 Option Shares, (i) the right to purchase 44,120 of the 1996 Option Shares shall be exercisable on or after January 3, 2002, (ii) the right to purchase an additional 44,120 of the 1996 Option Shares shall be exercisable on or after January 3, 2003, (iii) the right to purchase an additional 44,120 of the 1996 Option Shares shall be exercisable on or after January 3, 2004 and (iv) the right to purchase an additional 44,120 of the 1996 Option Shares shall be exercisable on or after January 3, 2005.

(b) With regard to the Management Option Shares, (i) the right to purchase 30,416 of the Management Option Shares shall be exercisable on or after January 3, 2002, (ii) the right to purchase an additional 30,417 of the Management Option Shares shall be exercisable on or after January 3, 2003, (iii) the right to purchase an additional 30,416 of the Management Option shares shall be exercisable on or after January 3, 2004 and (iv) the right to purchase an additional 30,417 of the Management Option Shares shall be exercisable on or after January 3, 2005.

(c) With regard to the 2000 Option Shares, (i) the right to purchase 30,463 of the 2000 Option Shares shall be exercisable on after January 3, 2002, (ii) the right to purchase an additional 30,464 of the 2000 Option Shares shall be exercisable on or after January 3, 2003, (iii) the right to purchase an additional 30,463 of the 2000 Option Shares shall be exercisable on or after January 3, 2004 and (iv) the right to purchase an additional 30,464 of the 2000 Option Shares shall be exercisable on or after January 3, 2005.

After a portion of the Option becomes exercisable, such portion shall remain exercisable, except as otherwise provided herein, until the close of business on January 2, 2006 ("Exercise Period").

5. Effect of Termination of Employment.

5.1. Termination Due to Death. If Employee's employment by the Company terminates by reason of death, the portion of the Option, if any, that was exercisable as of the date of death may thereafter be exercised by the legal representative of the estate or by the legatee of the Employee under the will of the Employee, for a period of one (1) year from the date of such death or until the expiration of the Exercise Period, whichever period is shorter. The portion

of the Option, if any, that was not exercisable as of the date of death shall immediately expire upon death.

2

5.2. Termination Due to Disability. If Employee's employment by the Company terminates by reason of Disability (as such term is defined in each of the respective Plans), the portion of the Option, if any, that was exercisable as of the date of termination of employment may thereafter be exercised by the Employee for a period of one (1) year from the date of the termination of employment or until the expiration of the Exercise Period, whichever period is shorter. The portion of the Option, if any, that was not exercisable as of the date of such termination of employment shall immediately expire on the date of such termination of employment.

5.3. Other Termination.

(a) If Employee's employment is terminated by the Company or the Employee for any reason other than (i) death, (ii) Disability or (iii) for cause by the Company, then the portion of the Option, if any, that was exercisable as of the date of termination of employment may thereafter be exercised by the Employee for a period of thirty (30) days from termination of employment or until the expiration of the Exercise Period, whichever is shorter. The portion of the Option, if any, that was not exercisable as of the date of such termination of employment shall immediately expire on the date of such termination of employment.

(b) In the event the Employee's employment is terminated for cause, (i) this Option, whether or not exercisable, shall immediately expire and (ii) the Company may require the Employee to return to the Company the economic value of any Option Shares purchased hereunder by the Employee within the six (6) month period prior to the date of such termination of employment. In such event, the Employee hereby agrees to remit to the Company, in cash, an amount equal to the difference between the Fair Market Value (as such term is defined in each of the respective Plans) of the Option Shares on the date of such termination of employment (or the sales price of such shares if the Option Shares were sold during such six (6) month period) and the Exercise Price of such shares.

5.4. "Employment". The Employee shall be considered to be employed by the Company pursuant to this Section 5 if the Employee is an officer, director or full-time employee of the Company (or of any parent, subsidiary or affiliate of the Company) or if the Committee determines in its sole and absolute discretion that the Employee is rendering substantial services to the Company as a part-time employee, consultant or contractor of the Company (or of any parent, subsidiary or affiliate of the Company). The Committee shall have the sole and absolute discretion to determine whether the Employee has ceased to be employed by the Company and the effective date on which such employment terminated.

3

5.5. No Right to Employment. Nothing in the Plans or in this Agreement shall confer on the Employee any right to continue in the employ of, or other relationship with, the Company (or with any parent, subsidiary or affiliate of the Company) or limit in any way the right of the Company (or of any parent, subsidiary or affiliate of the Company) to terminate the Employee's employment or other relationship with the Company (or with any parent, subsidiary or affiliate of the Company) at any time, with or without cause.

5.6. Competing With the Company. In the event that, within eighteen (18) months after the date of termination of Employee's employment with the Company, Employee accepts employment with any competitor of, or otherwise competes with, the Company, the Committee, in its sole discretion, may require Employee to return to the Company the economic value of any Option Shares purchased hereunder by the Employee within the six (6) month period prior to the date of termination or after the date of termination. In such event, Employee agrees to remit the economic value to the Company in accordance with Section 5.3(b).

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

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

8. Acceleration of Vesting on Change of Control. Notwithstanding the provisions of Section 4, in the event of a "change of control" (as defined below) while the Employee is employed by the Company, the vesting of this Option shall accelerate and all the Option Shares shall be purchasable by Employee simultaneous with such change of control. For the purposes of this Agreement, a change of control shall mean (i) the acquisition by any "person" (as defined in Section 3(a)(9) and 13(d) of the Securities Exchange Act of 1934, as amended ("Exchange Act")), other than a stockholder of the Company that, as of the date of this Agreement, is the beneficial owner (as defined in Rule 13d-3 promulgated under the Exchange Act) of 10% or more of the outstanding voting securities of

4

the Company, of more than 50% of the combined voting power of the then outstanding voting securities of the Company or (ii) the sale by the Company of all, or substantially all, of the assets of the Company to one or more purchasers, in one or a series of related transactions, where the transaction or transactions require approval pursuant to Delaware law by the stockholders of the Company.

9. Method of Exercise.

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

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

9.3. Payment of Purchase Price. The Employee shall make payment for the Option Shares by any one or more of the following methods set forth in this Section 9.3.

9.3.1. Cash Payment. The Employee shall make cash payments by wire transfer, certified check or bank check, in each case payable to the order of the Company; the Company shall not be required to deliver certificates for Option Shares until the Company has confirmed the receipt of good and available funds in payment of the purchase price thereof.

9.3.2. Payment through Bank or Broker. The Employee may make arrangements satisfactory to the Company with a bank or a broker who is member of the National Association of Securities Dealers, Inc. to either (a) sell on the exercise date a sufficient number of the Option Shares being purchased so that the net proceeds of the sale transaction will at least equal the Exercise Price multiplied by the number of Option Shares being purchased pursuant to such exercise, plus the amount of any applicable withholding taxes and pursuant to which the bank or broker undertakes irrevocably to deliver the full Exercise Price multiplied by the number of Option Shares being purchased pursuant to such exercise, plus the amount of any applicable withholding taxes to the Company on a date satisfactory to the Company, but no later than the date on which the sale transaction would settle in the ordinary course of business or (b) obtain a "margin commitment" from the bank or broker pursuant to which the bank or broker

5

undertakes irrevocably to deliver the full Exercise Price multiplied by the number of Option Shares being purchased pursuant to such exercise, plus the amount of any applicable withholding taxes to the Company, immediately upon receipt of the Option Shares.

9.3.3. Cashless Payment. The Employee may, in his or her sole discretion, use shares of Common Stock of the Company that were owned by the Employee for more than six (6) months (and which have been paid for within the meaning of Rule 144 promulgated by the Securities and Exchange Commission ("Commission") and, if such shares were purchased from the Company by use of a promissory note, such note has been fully paid with respect to such shares), or that were obtained by the Employee in the open public market, to pay the purchase price for the Option Shares by delivery of one or more stock certificates in negotiable form which are effective to transfer good and valid title thereto to the Company, free of any liens or encumbrances. Shares of Common Stock used for this purpose shall be valued at the Fair Market Value (as

such term is defined in each of the respective Plans).

9.3.4. Payment of Withholding Tax. Any required withholding tax may be paid in cash or with Common Stock in accordance with Sections 9.3.1., 9.3.2 and 9.3.3.

9.3.5. Exchange Act Compliance. Notwithstanding the foregoing, the Company shall have the right to reject payment in the form of Common Stock if in the opinion of counsel for the Company, (i) it could result in an event of "recapture" under Section 16(b) of the Exchange Act; (ii) such shares of Common Stock may not be sold or transferred to the Company; or (iii) such transfer could create legal difficulties for the Company.

10. Security Interest in Option Shares Collateralizing Obligations Owed to the Company. Notwithstanding anything in this Agreement to the contrary, the Employee hereby grants the Company a security interest in the Option Shares as follows: in the event that the Employee owes the Company any sum (including without limitation amounts owed pursuant to a loan made by the Company to the Employee), and such sum is past due (the "Past Due Amount"), the Company shall have a security interest in the Option Shares. The Employee hereby agrees to execute, promptly upon request by the Company, such instruments and to take such action as may be useful for the Company to perfect and/or exercise such security interest, and hereby irrevocably grants the Company the right to retain, in full or partial payment of the Past Due Amount, up to the following number of Option Shares upon any whole or partial exercise of the Option: a fraction, the numerator of which is the Past Due Amount, and the denominator of which is the

6

Fair Market Value (as such term is defined in each of the respective Plans) of the Company's Common Stock as of the date of such exercise; provided that the fraction set forth in the preceding clause shall be rounded up to the nearest whole number. The security interest set forth herein shall be cumulative to all, and not in lieu of any, other remedies to available to the Company with respect to any Past Due Amount.

11. Market Standoff Agreement. The Employee agrees that, in connection with any registration of the Company's securities, upon the request of the Company or the underwriters managing any public offering of the Company's securities, the Employee will not sell or otherwise dispose of any Option Shares (including without limitation sale of Option Shares in connection with the exercise method set forth in Section 9.3.2.) or any other securities of the Company without the prior written consent of the Company or such underwriters, as the case may be, for such period of time from the effective date of such registration as the Company or the underwriters may specify for the Company's employee shareholders generally. The Employee understands and agrees that, in order to ensure compliance with the market standoff agreement, the Company may issue appropriate "stop-transfer" instructions to its transfer agent.

12. Notice of Disqualifying Disposition of Incentive Stock Option Shares. If the Option granted to the Employee herein is an Incentive Stock Option, and if the Employee sells or otherwise disposes of any of the Option Shares acquired pursuant to a whole or partial exercise the Option prior to the later of (a) the second (2nd) anniversary of the Grant Date, or (b) the first (1st) anniversary of the date of exercise of such Option Shares, the Employee shall immediately notify the Company in writing of such sale or disposition. The Employee acknowledges and agrees that the Employee may be subject to income and other tax withholding by the Company on the compensation income recognized by the Employee from any such sale or disposition, by payment in cash (or in shares of Common Stock, to the extent permissible under Section 9.3.4.) or out of the current wages or other earnings payable to Employee. The Employee hereby authorizes his/her broker(s) to provide the Company, promptly at the Company's request, with any information concerning the Option Shares, now or previously in Employee's account(s) with such broker(s), as the Company may request. The Employee agrees that this authorization may not be revoked or modified in any manner except pursuant to a writing signed by both the Employee and the Company.

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

7

14. Required Holding Period. This Option and any Common Stock acquired upon its exercise may not be sold, assigned or otherwise transferred prior to the six (6) month anniversary of the Grant Date.

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

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

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

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

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

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

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

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

8

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

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

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

"The shares represented by this certificate have been acquired pursuant to a Stock Option Agreement, dated as of January 3, 2001, a copy of which is on file with the Company, and may not be transferred, pledged or disposed of except in accordance with the terms and conditions thereof."

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

18. Interpretation. Any dispute regarding the interpretation of this Agreement shall be submitted by the Employee or the Company to the Committee for review. The resolution of such a dispute by the Board or Committee shall be final and binding on the Company and on the Employee.

19. Miscellaneous.

19.1. Notices. All notices, requests, deliveries, payments, demands and other communications which are required or permitted to be given under this Agreement shall be in writing and shall be either delivered personally or by private courier (e.g., Federal Express), or sent by registered or certified

mail, return receipt requested, postage prepaid, to the parties at their respective addresses set forth herein, or to such other address as either shall have specified by notice in writing to the other. Notice shall be deemed duly given hereunder when delivered in person or by private courier, or on the third (3rd) business day following deposit in the United States mail as set forth above.

9

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

19.3. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Option Agreement shall be binding upon the Employee and the Employee's heirs, executors, administrators, legal representatives, successors and assigns.

19.4. Entire Agreement. This Agreement constitutes the entire agreement of the parties hereto and supersedes all prior undertakings and agreements, oral or written, with respect to the subject matter hereof. The Agreement may not be contradicted by evidence of any prior or contemporaneous agreement. To the extent that the policies and procedures of the Company apply to the Employee and are inconsistent with the terms of the Agreement, the provisions of the Agreement shall control.

19.5. Amendments; Waivers. The Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by each of the parties (in the case of the Company, such instrument must be signed by the President or Chief Executive Officer of the Company to be effective). No failure to exercise and no delay in exercising any right, remedy, or power under the Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, or power under the Agreement preclude any other or further exercise thereof, or the exercise of any other right, remedy, or power provided herein or by law or in equity. All rights and remedies, whether conferred by the Agreement, by any other instrument or by law, shall be cumulative, and may be exercised singularly or concurrently.

19.6. Severability; Enforcement. If any provision of this Agreement is held invalid, illegal or unenforceable in any respect (an "Impaired Provision"), (a) such Impaired Provision shall be interpreted in such a manner as to preserve, to the maximum extent possible, the intent of the parties, (b) the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby, and (c) such decision shall not affect the validity, legality or enforceability of such Impaired Provision under other circumstances. The parties agree to negotiate in good faith and agree upon a provision to substitute for the Impaired Provision in the circumstances in which the Impaired Provision is invalid, illegal or unenforceable.

10

19.7. Attorneys' Fees. In the event of any arbitration or litigation between the parties arising under or related to this Agreement (a "Covered Dispute"), the substantially prevailing party in the Covered Dispute (the "Prevailing Party") shall be entitled to receive from the other party the Prevailing Party's reasonable attorneys' fees and costs, including, without limitation, the cost at the hourly charges routinely charged therefor by the persons providing the services, reasonable fees and/or allocated costs of staff (in-house) counsel, and fees and expenses of experts retained by counsel in connection with such arbitration or litigation and with any and all appeals or petitions therefrom, in addition to any other relief to which the Prevailing Party may be entitled. A party to a Covered Dispute shall be the Prevailing Party in such Covered Dispute if the claims against such party are dismissed at any stage in the arbitration or litigation.

19.8. Governing Law; Jurisdiction. The Agreement shall be governed by and construed in accordance with the law of the State of New York, without reference to that body of law concerning choice of law or conflicts of law, except that the General Corporation Law of the State of Delaware ("GCL") shall apply to all matters governed by the GCL, including without limitation matters concerning the validity of grants of stock options and actions of the Company's board of directors or any committee thereof. The parties agree that, subject to the agreement to arbitrate disputes set forth in Section 19.12, the sole and exclusive judicial venues for any dispute, difference, cause of action or legal action of any kind that any party, or any officer, director, employee, agent or permitted successor or assign of any party may bring against any other party, or against any officer, director, employee, agent or permitted successor or assign of any party, related to this Agreement (a "Proceeding"), shall be (a) the

United States District Court for the Southern District of New York, if such court has statutory jurisdiction over the Proceeding and (b) the Supreme Court of the State of New York in the County of New York (collectively, the "New York Courts"). Each of the parties hereby expressly (i) consents to the personal jurisdiction of each of the New York Courts with respect to any Proceeding; (ii) agrees that service of process in any Proceeding may be effected upon such party in the manner set forth in Section 19.1 (as well as in any other manner prescribed by law); and (iii) waives any objection, whether on the grounds of venue, residence or domicile or on the ground that the Proceeding has been brought in an inconvenient forum, to any Proceeding brought in either of the New York Courts. Notwithstanding the foregoing, nothing in this paragraph alters the parties' agreement to arbitrate disputes as set forth in Section 19.12.

19.9. No Duty to Disclose. The Employee acknowledges and agrees that, except for the information provided to the Employee by the Company pursuant to Sections 16(b) and 16(d) prior to execution of this Agreement, neither the Company nor any of the Company's officers, directors, shareholders, employees, agents or representatives has any duty or obligation to disclose to

11

the Employee any information whatsoever, including but not limited to information concerning the Company that might if made public affect the value of the Option Shares. Such information includes without limitation any information concerning the Company's actual or potential financial performance, actual or potential material contracts to which the Company is or may become a party, or actual or potential material transactions that involve or may involve the Company, including but not limited to plans to effect a merger or to acquire or dispose of a material amount of assets. The Employee acknowledges and understands that he or she (a) might exercise his or her Option (or a portion thereof) prior to the public dissemination of such information, and that the value of the Option Shares may decrease after the public dissemination of such information, or (b) might exercise his or her Option (or a portion thereof) and sell, pledge or encumber the Option Shares (or a portion thereof) prior to the public dissemination of such information, and that the value of the Option Shares may increase after the public dissemination of such information; and the Employee acknowledges and agrees that he or she will not bring or participate in any claim whatsoever against the Company or against any of the Company's officers, directors, shareholders, employees, agents or representatives related to the failure to have disclosed such information prior to the Employee's exercise of the Option and/or sale, pledge or encumbrance of the Option Shares.

19.10. Rights of Third Parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective permitted successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

19.11 Headings. The Section headings used herein are for convenience only and do not define, limit or construe the content of such sections. All references in this Agreement to Section numbers refer to Sections of this Agreement, unless otherwise indicated.

19.12. Agreement to Arbitrate. The Employee and the Company recognize that differences may arise between them during or following the Employee's employment with the Company, and that those differences may or may not be related to the grant of the Option herein or to the Employee's employment. The Employee understands and agrees that by entering into this Agreement, the Employee anticipates the benefits of a speedy, impartial dispute-resolution procedure of any such differences. As used in this Section 19.12 and its subparts, the "Company" shall also refer to all benefit plans, the benefit plans' sponsors, fiduciaries, administrators, affiliates, and all successors and assigns of any of them.

(a) Arbitrable Claims. (i) ALL DISPUTES BETWEEN THE EMPLOYEE (AND HIS OR HER PERMITTED SUCCESSORS AND ASSIGNS) AND THE COMPANY (AND ITS AFFILIATES, STOCKHOLDERS, DIRECTORS, OFFICERS, AGENTS AND PERMITTED SUCCESSORS AND ASSIGNS)

12

RELATING IN ANY MANNER WHATSOEVER TO EMPLOYEE'S EMPLOYMENT OR TO THE TERMINATION THEREOF, INCLUDING WITHOUT LIMITATION ALL DISPUTES ARISING UNDER THIS AGREEMENT (COLLECTIVELY, "ARBITRABLE CLAIMS"), SHALL BE RESOLVED EXCLUSIVELY BY BINDING ARBITRATION. Arbitrable Claims shall include, but are not limited to, contract (express or implied) and tort claims of all kinds, as well as all claims based on any federal, state, or local law, statute, or regulation (including but not limited to claims alleging unlawful harassment or discrimination in violation of Title VII and/or Title IX of the U.S. Code, of the Age Discrimination in Employment Act, of the Americans with Disabilities Act, of state statute, or otherwise), excepting only claims under applicable workers' compensation law and

unemployment insurance claims. Arbitration shall be final and binding upon the parties and shall be the exclusive remedy for all Arbitrable Claims. Except as provided in Section 19.12(a)(ii), the Arbitrator (as defined below) shall decide whether a claim is an Arbitrable Claim. THE PARTIES HEREBY WAIVE ANY RIGHTS THAT THEY MAY HAVE TO TRIAL BY JURY IN REGARD TO ARBITRABLE CLAIMS.

(ii) Notwithstanding anything herein to the contrary, the Company may enforce in court, without prior resort to arbitration, any claim concerning actual or threatened unfair competition and/or the actual or threatened use and/or unauthorized disclosure of confidential or proprietary information of the Company. The court shall determine whether a claim concerns actual or threatened unfair competition and/or the actual or threatened use and/or unauthorized disclosure of confidential or proprietary information of the Company.

(b) Arbitration Procedure.

(i) American Arbitration Association Rules; Initiation of Arbitration; Location of Arbitration. Arbitration of Arbitrable Claims shall be in accordance with the Employment Dispute Resolution Rules of the American Arbitration Association ("AAA Rules"), except as provided otherwise in this Agreement. Arbitration shall be initiated by providing written notice to the other party with a statement of the claim(s) asserted, the facts upon which the claim(s) are based, and the remedy sought. This notice shall be provided to the other party within six (6) months of the acts or omissions complained of. Any claim not initiated within this limitations period shall be null and void, and the Company and the Employee waive all rights under statutes of limitation of different duration. The arbitration shall take place in New York, New York.

13

(ii) Selection of Arbitrator. All disputes involving Arbitrable Claims shall be decided by a single arbitrator (the "Arbitrator"), who shall be selected as follows. The American Arbitration Association ("AAA") shall give each party a list of eleven (11) arbitrators drawn from its panel of employment arbitrators (the "Name List"). Each party may strike up to six (6) names on the Name List it deems unacceptable, and shall notify the other party of the names it has stricken, within fourteen (14) calendar days of the date the AAA gave notice of the Name List. If only one common name on the Name List remains unstricken by the parties, that individual shall be designated as the Arbitrator. If more than one common name remains on the Name List unstricken by parties, Employee shall strike one of the remaining names and notify the Company, within seven (7) calendar days of notification of the list of unstricken names. If, after Employee strikes a name as set forth in the preceding sentence, there is still two or more unstricken names, the Company and the Employee shall alternately strike names (with the Company having the next strike) and notify the other party of the stricken name within seven (7) calendar days, until only one remains. If no common name on the initial Name List remains unstricken by the parties, the AAA shall furnish an additional list or lists, and the parties shall proceed as set forth above, until an Arbitrator is selected.

(iii) Conduct of the Arbitration.

(A) Discovery. To help prepare for the arbitration, the Employee and the Company shall be entitled, at their own expense, to learn about the facts of a claim before the arbitration begins. Each party shall have the right to take the deposition of one (1) individual and any expert witness designated by another party. Each party also shall have the right to make requests for production of documents to any party. Additional discovery may be had only where the Arbitrator so orders, upon a showing of substantial need. At least thirty (30) days before the arbitration, the parties must exchange lists of witnesses, including any expert witnesses, and copies of all exhibits intended to be used at the arbitration.

(B) Authority. The Arbitrator shall have jurisdiction to hear and rule on pre-hearing disputes and is authorized to hold pre-hearing conferences by telephone or in person as the Arbitrator deems necessary. The Arbitrator shall have the authority to entertain a motion to dismiss and/or a motion for summary judgment by any party and shall apply the standards governing such motions under the Federal Rules of Civil Procedure. The Arbitrator shall apply the substantive law (and the law of remedies, if applicable) of the state in which the claim arose, or federal law, or both, as applicable to the claim(s) asserted. The Arbitrator shall have the authority to award equitable relief, damages, costs and fees as provided by the law for the particular claim(s) asserted. The arbitrator shall not have the power to award remedies or relief that a New York court could not have awarded. The Federal Rules of Evidence shall apply. The burden of proof shall be allocated as provided by applicable law. Except as provided in Section 19(a)(ii), the Arbitrator, and not any federal, state, or local court or agency, shall have exclusive authority to

14

resolve any dispute relating to the interpretation, applicability,

enforceability or formation of the Agreement, including but not limited to any claim that all or any part of any of the Agreement is void or voidable and any assertion that a dispute between the Employee and the Company is not an Arbitrable Claim. The arbitration shall be final and binding upon the parties.

(C) Costs. Either party, at its expense, may arrange for and pay the cost of a court reporter to provide a stenographic record of the proceedings. If the Arbitrator orders a stenographic record, the parties shall split the cost. Except as otherwise provided in this Section 19.12 and in Section 19.7, the Employee and the Company shall equally share the fees and costs of the arbitration and the Arbitrator.

(c) Confidentiality. All proceedings and documents prepared in connection with any Arbitrable Claim shall be confidential and, unless otherwise required by law, the subject matter thereof shall not be disclosed to any person other than the parties to the proceeding, their counsel, witnesses and experts, the Arbitrator, and, if involved, the court and court staff. All documents filed with the Arbitrator or with a court shall be filed under seal. The parties shall stipulate to all arbitration and court orders necessary to effectuate fully the provisions of this subparagraph concerning confidentiality.

(d) Enforceability. Either party may bring an action in any court of competent jurisdiction to compel arbitration under this Agreement and to enforce an arbitration award. Except as provided above, neither party shall initiate or prosecute any lawsuit or administrative action in any way related to any Arbitrable Claim. The Federal Arbitration Act shall govern the interpretation and enforcement of this Section 19.12.

INDIVIDUAL INVESTOR GROUP, INC.
125 Broad Street, 14th Floor
New York, New York 10004

By: /s/ Gregory E. Barton

Gregory E. Barton
Vice President, Business Development,
Finance and Legal Affairs and Chief
Financial Officer

Acceptance

The Employee hereby acknowledges: I have received a copy of each Plan and this Agreement; I have had the opportunity to consult legal counsel in regard to this Agreement, and have availed myself of that opportunity to the extent I wish to do so (I understand the Company's attorneys represent the Company and not myself, and I have not relied on any advice from the Company's attorneys); I have read and understand this Agreement; I am fully aware of legal effect of this agreement, including, without limitation, the effect of Section 19.12 hereof concerning arbitration; and I have entered into this Agreement freely and voluntarily and based on my own judgment and not on any representations or promises other than those contained in this Agreement. The Employee accepts this Option subject to all the terms and conditions of the Plans and this Agreement.

The Employee acknowledges that there may be adverse tax consequences upon exercise of this Option or disposition of the Option Shares and that the Employee should consult a tax adviser prior to such exercise or disposition.

1/11/01

/s/ Jonathan L. Steinberg

Date

Jonathan L. Steinberg

Address: -----

FORM OF NOTICE OF EXERCISE OF OPTION

DATE

Individual Investor Group, Inc.
125 Broad Street, 14th Floor
New York, New York 10004

Attention: Stock Option Committee of the Board of Directors

Re: Purchase of Option Shares

Gentlemen:

In accordance with my Stock Option Agreement dated as of January 3, 201 ("Agreement") with Individual Investor Group, Inc. (the "Company"), I hereby irrevocably elect to exercise the right to purchase _____ shares of the Company's common stock, par value \$.01 per share ("Common Stock"), which are being purchased for investment and not for resale.

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

- () a [personal check] [certified check] [bank check] payable to the order of "Individual Investor Group, Inc." in the sum of \$ _____;
- () confirmation of wire transfer in the amount of \$ _____; and/or
- () certificate for shares of the Company's Common Stock, free and clear of any encumbrances, duly endorsed, having a Fair Market Value (as such term is defined in the Company's 1996 Plan (the "1996 Plan"), the Company's 1996 Management Incentive Plan (the "Management Plan") or the Company's 2000 Performance Equity Plan (the "2000 Plan" and with the 1996 Plan and Management Plan, individually a "Plan" and collectively the "Plans")) of \$ _____.

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

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

(ii) I have received a copy of all reports and documents required to be filed by the Company with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, within the last twenty-four (24) months and all reports issued by the Company to its stockholders;

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

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

1

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

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

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

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

"The shares represented by this certificate have been acquired pursuant to a Stock Option Agreement, dated as of January 3, 2001, a copy of which is on file with the Company, and may not be transferred, pledged

or disposed of except in accordance with the terms and conditions thereof."

Kindly forward to me my certificate at your earliest convenience.

Very truly yours,

(Signature) (Address)

(Print Name) (Address)

(Social Security Number)

STOCK OPTION AGREEMENT

This STOCK OPTION AGREEMENT (the "Agreement") is entered into as of the 3rd day of January, 2001, by and between INDIVIDUAL INVESTOR GROUP, INC., a Delaware corporation (the "Company"), and Gregory E. Barton (the "Employee").

WHEREAS, on January 3, 2001 (the "Grant Date"), Board of Directors of the Company (the "Board") authorized the grant to the Employee of an option (the "Option") to purchase an aggregate of 325,000 shares of the authorized but unissued common stock, \$.01 par value ("Common Stock") of the Company, including 176,480 shares of Common Stock ("1996 Option Shares") pursuant to the terms and conditions of the Company's 1996 Performance Equity Plan ("1996 Plan"), 121,666 shares of Common Stock ("Management Option Shares") pursuant to the terms and conditions of the Company's 1996 Management Incentive Plan ("Management Plan") and 26,854 shares of Common Stock ("2000 Option Shares," and with the 1996 Option Shares and the Management Option Shares, the "Option Shares") pursuant to the terms and conditions of the Company's 2000 Performance Equity Plan ("2000 Plan," and with the 1996 Plan and Management Plan, individually a "Plan" and collectively, the "Plans"), conditioned upon the Employee's acceptance of the grant of the Option upon the terms and conditions set forth in this Agreement and subject to the terms of each of the respective Plans; and

WHEREAS, the Employee desires to acquire the Option upon the terms and conditions set forth in this Agreement and subject to the terms of each of the respective Plans;

IT IS AGREED:

1. Grant of Stock Option. The Company hereby grants the Employee the Option to purchase all or any part of an aggregate of 325,000 shares of Common Stock on the terms and conditions set forth herein and subject to the provisions of each of the respective Plans.

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

3. Exercise Price. The exercise price of the Option is \$0.4375 per share, subject to adjustment as hereinafter provided.

<page>

4. Exercisability. This Option shall be exercisable, subject to the terms and conditions of this Agreement, as follows:

(a) With regard to the 1996 Option Shares, (i) the right to purchase 44,120 of the 1996 Option Shares shall be exercisable on or after January 3, 2002, (ii) the right to purchase an additional 44,120 of the 1996 Option Shares shall be exercisable on or after January 3, 2003, (iii) the right to purchase an additional 44,120 of the 1996 Option Shares shall be exercisable on or after January 3, 2004 and (iv) the right to purchase an additional 44,120 of the 1996 Option Shares shall be exercisable on or after January 3, 2005.

(b) With regard to the Management Option Shares, (i) the right to purchase 30,416 of the Management Option Shares shall be exercisable on or after January 3, 2002, (ii) the right to purchase an additional 30,417 of the Management Option Shares shall be exercisable on or after January 3, 2003, (iii) the right to purchase an additional 30,416 of the Management Option shares shall be exercisable on or after January 3, 2004 and (iv) the right to purchase an additional 30,417 of the Management Option Shares shall be exercisable on or after January 3, 2005.

(c) With regard to the 2000 Option Shares, (i) the right to purchase 6,713 of the 2000 Option Shares shall be exercisable on after January 3, 2002, (ii) the right to purchase an additional 6,714 of the 2000 Option Shares shall be exercisable on or after January 3, 2003, (iii) the right to purchase an additional 6,713 of the 2000 Option Shares shall be exercisable on or after January 3, 2004 and (iv) the right to purchase an additional 6,714 of the 2000 Option Shares shall be exercisable on or after January 3, 2005.

After a portion of the Option becomes exercisable, such portion shall remain exercisable, except as otherwise provided herein, until the close of business on January 2, 2011 ("Exercise Period").

5. Effect of Termination of Employment.

5.1. Termination Due to Death. If Employee's employment by the Company terminates by reason of death, the portion of the Option, if any, that was exercisable as of the date of death may thereafter be exercised by the legal representative of the estate or by the legatee of the Employee under the will of the Employee, for a period of one (1) year from the date of such death or until the expiration of the Exercise Period, whichever period is shorter. The portion

of the Option, if any, that was not exercisable as of the date of death shall immediately expire upon death.

2

<page>

5.2. Termination Due to Disability. If Employee's employment by the Company terminates by reason of Disability (as such term is defined in each of the respective Plans), the portion of the Option, if any, that was exercisable as of the date of termination of employment may thereafter be exercised by the Employee for a period of one (1) year from the date of the termination of employment or until the expiration of the Exercise Period, whichever period is shorter. The portion of the Option, if any, that was not exercisable as of the date of such termination of employment shall immediately expire on the date of such termination of employment.

5.3. Other Termination.

(a) If Employee's employment is terminated by the Company or the Employee for any reason other than (i) death, (ii) Disability or (iii) for cause by the Company, then the portion of the Option, if any, that was exercisable as of the date of termination of employment may thereafter be exercised by the Employee for a period of thirty (30) days from termination of employment or until the expiration of the Exercise Period, whichever is shorter. The portion of the Option, if any, that was not exercisable as of the date of such termination of employment shall immediately expire on the date of such termination of employment.

(b) In the event the Employee's employment is terminated for cause, (i) this Option, whether or not exercisable, shall immediately expire and (ii) the Company may require the Employee to return to the Company the economic value of any Option Shares purchased hereunder by the Employee within the six (6) month period prior to the date of such termination of employment. In such event, the Employee hereby agrees to remit to the Company, in cash, an amount equal to the difference between the Fair Market Value (as such term is defined in each of the respective Plans) of the Option Shares on the date of such termination of employment (or the sales price of such shares if the Option Shares were sold during such six (6) month period) and the Exercise Price of such shares.

5.4. "Employment". The Employee shall be considered to be employed by the Company pursuant to this Section 5 if the Employee is an officer, director or full-time employee of the Company (or of any parent, subsidiary or affiliate of the Company) or if the Committee determines in its sole and absolute discretion that the Employee is rendering substantial services to the Company as a part-time employee, consultant or contractor of the Company (or of any parent, subsidiary or affiliate of the Company). The Committee shall have the sole and absolute discretion to determine whether the Employee has ceased to be employed by the Company and the effective date on which such employment terminated.

3

<page>

5.5. No Right to Employment. Nothing in the Plans or in this Agreement shall confer on the Employee any right to continue in the employ of, or other relationship with, the Company (or with any parent, subsidiary or affiliate of the Company) or limit in any way the right of the Company (or of any parent, subsidiary or affiliate of the Company) to terminate the Employee's employment or other relationship with the Company (or with any parent, subsidiary or affiliate of the Company) at any time, with or without cause.

5.6. Competing With the Company. In the event that, within eighteen (18) months after the date of termination of Employee's employment with the Company, Employee accepts employment with any competitor of, or otherwise competes with, the Company, the Committee, in its sole discretion, may require Employee to return to the Company the economic value of any Option Shares purchased hereunder by the Employee within the six (6) month period prior to the date of termination or after the date of termination. In such event, Employee agrees to remit the economic value to the Company in accordance with Section 5.3(b).

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

7. Adjustments. In the event of any merger, reorganization, consolidation, recapitalization, consolidation, dividend (other than cash dividend), stock

split, reverse stock split, or other change in corporate structure affecting the number of issued shares of Common Stock, the Company shall proportionally adjust the number and kind of Option Shares and the exercise price of the Option in order to prevent the dilution or enlargement of the Employee's proportionate interest in the Company and Employee's rights hereunder, provided that the number of Option Shares shall always be a whole number.

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

4

<page>

9. Method of Exercise.

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

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

9.3. Payment of Purchase Price. The Employee shall make payment for the Option Shares by any one or more of the following methods set forth in this Section 9.3.

9.3.1. Cash Payment. The Employee shall make cash payments by wire transfer, certified check or bank check, in each case payable to the order of the Company; the Company shall not be required to deliver certificates for Option Shares until the Company has confirmed the receipt of good and available funds in payment of the purchase price thereof.

9.3.2. Payment through Bank or Broker. The Employee may make arrangements satisfactory to the Company with a bank or a broker who is member of the National Association of Securities Dealers, Inc. to either (a) sell on the exercise date a sufficient number of the Option Shares being purchased so that the net proceeds of the sale transaction will at least equal the Exercise Price multiplied by the number of Option Shares being purchased pursuant to such exercise, plus the amount of any applicable withholding taxes and pursuant to which the bank or broker undertakes irrevocably to deliver the full Exercise Price multiplied by the number of Option Shares being purchased pursuant to such exercise, plus the amount of any applicable withholding taxes to the Company on a date satisfactory to the Company, but no later than the date on which the sale transaction would settle in the ordinary course of business or (b) obtain a "margin commitment" from the bank or broker pursuant to which the bank or broker

5

<page>

undertakes irrevocably to deliver the full Exercise Price multiplied by the number of Option Shares being purchased pursuant to such exercise, plus the amount of any applicable withholding taxes to the Company, immediately upon receipt of the Option Shares.

9.3.3. Cashless Payment. The Employee may, in his or her sole discretion, use shares of Common Stock of the Company that were owned by the Employee for more than six (6) months (and which have been paid for within the meaning of Rule 144 promulgated by the Securities and Exchange Commission ("Commission")) and, if such shares were purchased from the Company by use of a promissory note, such note has been fully paid with respect to such shares), or that were obtained by the Employee in the open public market, to pay the purchase price for the Option Shares by delivery of one or more stock certificates in negotiable form which are effective to transfer good and valid title thereto to the Company, free of any liens or encumbrances. Shares of Common Stock used for this purpose shall be valued at the Fair Market Value (as such term is defined in each of the respective Plans).

9.3.4. Payment of Withholding Tax. Any required withholding tax may be paid in cash or with Common Stock in accordance with Sections 9.3.1., 9.3.2 and 9.3.3.

9.3.5. Exchange Act Compliance. Notwithstanding the foregoing, the Company shall have the right to reject payment in the form of Common Stock if in the opinion of counsel for the Company, (i) it could result in an event of "recapture" under Section 16(b) of the Exchange Act; (ii) such shares of Common Stock may not be sold or transferred to the Company; or (iii) such transfer could create legal difficulties for the Company.

10. Security Interest in Option Shares Collateralizing Obligations Owed to the Company. Notwithstanding anything in this Agreement to the contrary, the Employee hereby grants the Company a security interest in the Option Shares as follows: in the event that the Employee owes the Company any sum (including without limitation amounts owed pursuant to a loan made by the Company to the Employee), and such sum is past due (the "Past Due Amount"), the Company shall have a security interest in the Option Shares. The Employee hereby agrees to execute, promptly upon request by the Company, such instruments and to take such action as may be useful for the Company to perfect and/or exercise such security interest, and hereby irrevocably grants the Company the right to retain, in full or partial payment of the Past Due Amount, up to the following number of Option Shares upon any whole or partial exercise of the Option: a fraction, the numerator of which is the Past Due Amount, and the denominator of which is the

6

<page>

Fair Market Value (as such term is defined in each of the respective Plans) of the Company's Common Stock as of the date of such exercise; provided that the fraction set forth in the preceding clause shall be rounded up to the nearest whole number. The security interest set forth herein shall be cumulative to all, and not in lieu of any, other remedies to available to the Company with respect to any Past Due Amount.

11. Market Standoff Agreement. The Employee agrees that, in connection with any registration of the Company's securities, upon the request of the Company or the underwriters managing any public offering of the Company's securities, the Employee will not sell or otherwise dispose of any Option Shares (including without limitation sale of Option Shares in connection with the exercise method set forth in Section 9.3.2.) or any other securities of the Company without the prior written consent of the Company or such underwriters, as the case may be, for such period of time from the effective date of such registration as the Company or the underwriters may specify for the Company's employee shareholders generally. The Employee understands and agrees that, in order to ensure compliance with the market standoff agreement, the Company may issue appropriate "stop-transfer" instructions to its transfer agent.

12. Notice of Disqualifying Disposition of Incentive Stock Option Shares. If the Option granted to the Employee herein is an Incentive Stock Option, and if the Employee sells or otherwise disposes of any of the Option Shares acquired pursuant to a whole or partial exercise the Option prior to the later of (a) the second (2nd) anniversary of the Grant Date, or (b) the first (1st) anniversary of the date of exercise of such Option Shares, the Employee shall immediately notify the Company in writing of such sale or disposition. The Employee acknowledges and agrees that the Employee may be subject to income and other tax withholding by the Company on the compensation income recognized by the Employee from any such sale or disposition, by payment in cash (or in shares of Common Stock, to the extent permissible under Section 9.3.4.) or out of the current wages or other earnings payable to Employee. The Employee hereby authorizes his/her broker(s) to provide the Company, promptly at the Company's request, with any information concerning the Option Shares, now or previously in Employee's account(s) with such broker(s), as the Company may request. The Employee agrees that this authorization may not be revoked or modified in any manner except pursuant to a writing signed by both the Employee and the Company.

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

7

<page>

14. Required Holding Period. This Option and any Common Stock acquired upon its exercise may not be sold, assigned or otherwise transferred prior to the six (6) month anniversary of the Grant Date.

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

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

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

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

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

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

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

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

8

<page>

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

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

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

"The shares represented by this certificate have been acquired pursuant to a Stock Option Agreement, dated as of January 3, 2001, a copy of which is on file with the Company, and may not be transferred, pledged or disposed of except in accordance with the terms and conditions thereof."

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

18. Interpretation. Any dispute regarding the interpretation of this Agreement shall be submitted by the Employee or the Company to the Committee for review. The resolution of such a dispute by the Board or Committee shall be final and binding on the Company and on the Employee.

19. Miscellaneous.

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

given hereunder when delivered in person or by private courier, or on the third (3rd) business day following deposit in the United States mail as set forth above.

9

<page>

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

19.3. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Option Agreement shall be binding upon the Employee and the Employee's heirs, executors, administrators, legal representatives, successors and assigns.

19.4. Entire Agreement. This Agreement constitutes the entire agreement of the parties hereto and supersede all prior undertakings and agreements, oral or written, with respect to the subject matter hereof. The Agreement may not be contradicted by evidence of any prior or contemporaneous agreement. To the extent that the policies and procedures of the Company apply to the Employee and are inconsistent with the terms of the Agreement, the provisions of the Agreement shall control.

19.5. Amendments; Waivers. The Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by each of the parties (in the case of the Company, such instrument must be signed by the President or Chief Executive Officer of the Company to be effective). No failure to exercise and no delay in exercising any right, remedy, or power under the Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, or power under the Agreement preclude any other or further exercise thereof, or the exercise of any other right, remedy, or power provided herein or by law or in equity. All rights and remedies, whether conferred by the Agreement, by any other instrument or by law, shall be cumulative, and may be exercised singularly or concurrently.

19.6. Severability; Enforcement. If any provision of this Agreement is held invalid, illegal or unenforceable in any respect (an "Impaired Provision"), (a) such Impaired Provision shall be interpreted in such a manner as to preserve, to the maximum extent possible, the intent of the parties, (b) the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby, and (c) such decision shall not affect the validity, legality or enforceability of such Impaired Provision under other circumstances. The parties agree to negotiate in good faith and agree upon a provision to substitute for the Impaired Provision in the circumstances in which the Impaired Provision is invalid, illegal or unenforceable.

10

<page>

19.7. Attorneys' Fees. In the event of any arbitration or litigation between the parties arising under or related to this Agreement (a "Covered Dispute"), the substantially prevailing party in the Covered Dispute (the "Prevailing Party") shall be entitled to receive from the other party the Prevailing Party's reasonable attorneys' fees and costs, including, without limitation, the cost at the hourly charges routinely charged therefor by the persons providing the services, reasonable fees and/or allocated costs of staff (in-house) counsel, and fees and expenses of experts retained by counsel in connection with such arbitration or litigation and with any and all appeals or petitions therefrom, in addition to any other relief to which the Prevailing Party may be entitled. A party to a Covered Dispute shall be the Prevailing Party in such Covered Dispute if the claims against such party are dismissed at any stage in the arbitration or litigation.

19.8. Governing Law; Jurisdiction. The Agreement shall be governed by and construed in accordance with the law of the State of New York, without reference to that body of law concerning choice of law or conflicts of law, except that the General Corporation Law of the State of Delaware ("GCL") shall apply to all matters governed by the GCL, including without limitation matters concerning the validity of grants of stock options and actions of the Company's board of directors or any committee thereof. The parties agree that, subject to the agreement to arbitrate disputes set forth in Section 19.12, the sole and exclusive judicial venues for any dispute, difference, cause of action or legal action of any kind that any party, or any officer, director, employee, agent or permitted successor or assign of any party may bring against any other party, or against any officer, director, employee, agent or permitted successor or assign of any party, related to this Agreement (a "Proceeding"), shall be (a) the United States District Court for the Southern District of New York, if such court has statutory jurisdiction over the Proceeding and (b) the Supreme Court

of the State of New York in the County of New York (collectively, the "New York Courts"). Each of the parties hereby expressly (i) consents to the personal jurisdiction of each of the New York Courts with respect to any Proceeding; (ii) agrees that service of process in any Proceeding may be effected upon such party in the manner set forth in Section 19.1 (as well as in any other manner prescribed by law); and (iii) waives any objection, whether on the grounds of venue, residence or domicile or on the ground that the Proceeding has been brought in an inconvenient forum, to any Proceeding brought in either of the New York Courts. Notwithstanding the foregoing, nothing in this paragraph alters the parties' agreement to arbitrate disputes as set forth in Section 19.12.

19.9. No Duty to Disclose. The Employee acknowledges and agrees that, except for the information provided to the Employee by the Company pursuant to Sections 16(b) and 16(d) prior to execution of this Agreement, neither the Company nor any of the Company's officers, directors, shareholders, employees, agents or representatives has any duty or obligation to disclose to the Employee

11

<page>

any information whatsoever, including but not limited to information concerning the Company that might if made public affect the value of the Option Shares. Such information includes without limitation any information concerning the Company's actual or potential financial performance, actual or potential material contracts to which the Company is or may become a party, or actual or potential material transactions that involve or may involve the Company, including but not limited to plans to effect a merger or to acquire or dispose of a material amount of assets. The Employee acknowledges and understands that he or she (a) might exercise his or her Option (or a portion thereof) prior to the public dissemination of such information, and that the value of the Option Shares may decrease after the public dissemination of such information, or (b) might exercise his or her Option (or a portion thereof) and sell, pledge or encumber the Option Shares (or a portion thereof) prior to the public dissemination of such information, and that the value of the Option Shares may increase after the public dissemination of such information; and the Employee acknowledges and agrees that he or she will not bring or participate in any claim whatsoever against the Company or against any of the Company's officers, directors, shareholders, employees, agents or representatives related to the failure to have disclosed such information prior to the Employee's exercise of the Option and/or sale, pledge or encumbrance of the Option Shares.

19.10. Rights of Third Parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective permitted successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

19.11 Headings. The Section headings used herein are for convenience only and do not define, limit or construe the content of such sections. All references in this Agreement to Section numbers refer to Sections of this Agreement, unless otherwise indicated.

19.12. Agreement to Arbitrate. The Employee and the Company recognize that differences may arise between them during or following the Employee's employment with the Company, and that those differences may or may not be related to the grant of the Option herein or to the Employee's employment. The Employee understands and agrees that by entering into this Agreement, the Employee anticipates the benefits of a speedy, impartial dispute-resolution procedure of any such differences. As used in this Section 19.12 and its subparts, the "Company" shall also refer to all benefit plans, the benefit plans' sponsors, fiduciaries, administrators, affiliates, and all successors and assigns of any of them.

(a) Arbitrable Claims. (i) ALL DISPUTES BETWEEN THE EMPLOYEE (AND HIS OR HER PERMITTED SUCCESSORS AND ASSIGNS) AND THE COMPANY (AND ITS AFFILIATES, STOCKHOLDERS, DIRECTORS, OFFICERS, AGENTS AND PERMITTED SUCCESSORS AND ASSIGNS) RELATING IN ANY MANNER WHATSOEVER TO EMPLOYEE'S EMPLOYMENT OR TO THE TERMINATION

12

<page>

THEREOF, INCLUDING WITHOUT LIMITATION ALL DISPUTES ARISING UNDER THIS AGREEMENT (COLLECTIVELY, "ARBITRABLE CLAIMS"), SHALL BE RESOLVED EXCLUSIVELY BY BINDING ARBITRATION. Arbitrable Claims shall include, but are not limited to, contract (express or implied) and tort claims of all kinds, as well as all claims based on any federal, state, or local law, statute, or regulation (including but not limited to claims alleging unlawful harassment or discrimination in violation of Title VII and/or Title IX of the U.S. Code, of the Age Discrimination in Employment Act, of the Americans with Disabilities Act, of state statute, or otherwise), excepting only claims under applicable workers' compensation law and unemployment insurance claims. Arbitration shall be final and binding upon the parties and shall be the exclusive remedy for all Arbitrable Claims. Except as provided in Section 19.12(a) (ii), the Arbitrator (as defined below) shall decide

whether a claim is an Arbitrable Claim. THE PARTIES HEREBY WAIVE ANY RIGHTS THAT THEY MAY HAVE TO TRIAL BY JURY IN REGARD TO ARBITRABLE CLAIMS.

(ii) NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE COMPANY MAY ENFORCE IN COURT, WITHOUT PRIOR RESORT TO ARBITRATION, ANY CLAIM CONCERNING ACTUAL OR THREATENED UNFAIR COMPETITION AND/OR THE ACTUAL OR THREATENED USE AND/OR UNAUTHORIZED DISCLOSURE OF CONFIDENTIAL OR PROPRIETARY INFORMATION OF THE COMPANY. The court shall determine whether a claim concerns actual or threatened unfair competition and/or the actual or threatened use and/or unauthorized disclosure of confidential or proprietary information of the Company.

(b) Arbitration Procedure.

(i) American Arbitration Association Rules; Initiation of Arbitration; Location of Arbitration. Arbitration of Arbitrable Claims shall be in accordance with the Employment Dispute Resolution Rules of the American Arbitration Association ("AAA Rules"), except as provided otherwise in this Agreement. Arbitration shall be initiated by providing written notice to the other party with a statement of the claim(s) asserted, the facts upon which the claim(s) are based, and the remedy sought. This notice shall be provided to the other party within six (6) months of the acts or omissions complained of. Any claim not initiated within this limitations period shall be null and void, and the Company and the Employee waive all rights under statutes of limitation of different duration. The arbitration shall take place in New York, New York.

13

<page>

(ii) Selection of Arbitrator. All disputes involving Arbitrable Claims shall be decided by a single arbitrator (the "Arbitrator"), who shall be selected as follows. The American Arbitration Association ("AAA") shall give each party a list of eleven (11) arbitrators drawn from its panel of employment arbitrators (the "Name List"). Each party may strike up to six (6) names on the Name List it deems unacceptable, and shall notify the other party of the names it has stricken, within fourteen (14) calendar days of the date the AAA gave notice of the Name List. If only one common name on the Name List remains unstricken by the parties, that individual shall be designated as the Arbitrator. If more than one common name remains on the Name List unstricken by parties, Employee shall strike one of the remaining names and notify the Company, within seven (7) calendar days of notification of the list of unstricken names. If, after Employee strikes a name as set forth in the preceding sentence, there is still two or more unstricken names, the Company and the Employee shall alternately strike names (with the Company having the next strike) and notify the other party of the stricken name within seven (7) calendar days, until only one remains. If no common name on the initial Name List remains unstricken by the parties, the AAA shall furnish an additional list or lists, and the parties shall proceed as set forth above, until an Arbitrator is selected.

(iii) Conduct of the Arbitration.

(A) Discovery. To help prepare for the arbitration, the Employee and the Company shall be entitled, at their own expense, to learn about the facts of a claim before the arbitration begins. Each party shall have the right to take the deposition of one (1) individual and any expert witness designated by another party. Each party also shall have the right to make requests for production of documents to any party. Additional discovery may be had only where the Arbitrator so orders, upon a showing of substantial need. At least thirty (30) days before the arbitration, the parties must exchange lists of witnesses, including any expert witnesses, and copies of all exhibits intended to be used at the arbitration.

(B) Authority. The Arbitrator shall have jurisdiction to hear and rule on pre-hearing disputes and is authorized to hold pre-hearing conferences by telephone or in person as the Arbitrator deems necessary. The Arbitrator shall have the authority to entertain a motion to dismiss and/or a motion for summary judgment by any party and shall apply the standards governing such motions under the Federal Rules of Civil Procedure. The Arbitrator shall apply the substantive law (and the law of remedies, if applicable) of the state in which the claim arose, or federal law, or both, as applicable to the claim(s) asserted. The Arbitrator shall have the authority to award equitable relief, damages, costs and fees as provided by the law for the particular claim(s) asserted. The arbitrator shall not have the power to award remedies or relief that a New York court could not have awarded. The Federal Rules of Evidence shall apply. The burden of proof shall be allocated as provided by applicable law. Except as provided in Section 19(a) (ii), the Arbitrator, and not any federal, state, or local court or agency, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, enforceability or formation of the Agreement, including but not limited to any claim that all or any part of any of the Agreement is void or voidable and any assertion that a dispute between the Employee and the Company is not an Arbitrable Claim. The arbitration shall be final and binding upon the parties.

<page>

(C) Costs. Either party, at its expense, may arrange for and pay the cost of a court reporter to provide a stenographic record of the proceedings. If the Arbitrator orders a stenographic record, the parties shall split the cost. Except as otherwise provided in this Section 19.12 and in Section 19.7, the Employee and the Company shall equally share the fees and costs of the arbitration and the Arbitrator.

(c) Confidentiality. All proceedings and documents prepared in connection with any Arbitrable Claim shall be confidential and, unless otherwise required by law, the subject matter thereof shall not be disclosed to any person other than the parties to the proceeding, their counsel, witnesses and experts, the Arbitrator, and, if involved, the court and court staff. All documents filed with the Arbitrator or with a court shall be filed under seal. The parties shall stipulate to all arbitration and court orders necessary to effectuate fully the provisions of this subparagraph concerning confidentiality.

(d) Enforceability. Either party may bring an action in any court of competent jurisdiction to compel arbitration under this Agreement and to enforce an arbitration award. Except as provided above, neither party shall initiate or prosecute any lawsuit or administrative action in any way related to any Arbitrable Claim. The Federal Arbitration Act shall govern the interpretation and enforcement of this Section 19.12.

INDIVIDUAL INVESTOR GROUP, INC.
125 Broad Street, 14th Floor
New York, New York 10004

By: /s/ Jonathan L. Steinberg

Jonathan L. Steinberg
Chief Executive Officer

Acceptance

The Employee hereby acknowledges: I have received a copy of each Plan and this Agreement; I have had the opportunity to consult legal counsel in regard to this Agreement, and have availed myself of that opportunity to the extent I wish to do so (I understand the Company's attorneys represent the Company and not myself, and I have not relied on any advice from the Company's attorneys); I have read and understand this Agreement; I AM FULLY AWARE OF LEGAL EFFECT OF THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, THE EFFECT OF SECTION 19.12 HEREOF CONCERNING ARBITRATION; and I have entered into this Agreement freely and voluntarily and based on my own judgment and not on any representations or promises other than those contained in this Agreement. The Employee accepts this Option subject to all the terms and conditions of the Plans and this Agreement.

The Employee acknowledges that there may be adverse tax consequences upon exercise of this Option or disposition of the Option Shares and that the Employee should consult a tax adviser prior to such exercise or disposition.

1/11/01

Date

/s/ Gregory E. Barton

Gregory E. Barton

Address: 22 East 36, #3D

New York, New York 10016

EXHIBIT A

FORM OF NOTICE OF EXERCISE OF OPTION

DATE

Individual Investor Group, Inc.
125 Broad Street, 14th Floor
New York, New York 10004

Attention: Stock Option Committee of the Board of Directors

Re: Purchase of Option Shares

Gentlemen:

In accordance with my Stock Option Agreement dated as of January 3, 201 ("Agreement") with Individual Investor Group, Inc. (the "Company"), I hereby irrevocably elect to exercise the right to purchase _____ shares of the Company's common stock, par value \$.01 per share ("Common Stock"), which are being purchased for investment and not for resale.

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

- () a [personal check] [certified check] [bank check] payable to the order of "Individual Investor Group, Inc." in the sum of \$_____;
- () confirmation of wire transfer in the amount of \$_____ and/or
- () certificate for shares of the Company's Common Stock, free and clear of any encumbrances, duly endorsed, having a Fair Market Value (as such term is defined in the Company's 1996 Plan (the "1996 Plan"), the Company's 1996 Management Incentive Plan (the "Management Plan") or the Company's 2000 Performance Equity Plan (the "2000 Plan" and with the 1996 Plan and Management Plan, individually a "Plan" and collectively the "Plans")) of \$_____.

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

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

(ii) I have received a copy of all reports and documents required to be filed by the Company with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, within the last twenty-four (24) months and all reports issued by the Company to its stockholders;

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

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

<page>

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

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

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

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

"The shares represented by this certificate have been acquired pursuant to a Stock Option Agreement, dated as of January 3, 2001, a copy of which is on file with the Company, and may not be transferred, pledged or disposed of except in accordance with the terms and conditions thereof."

Kindly forward to me my certificate at your earliest convenience.

Very truly yours,

(Signature)

(Address)

(Print Name)

(Address)

(Social Security Number)

AGREEMENT OF SUBLEASE

between

INDIVIDUAL INVESTOR GROUP, INC.,

as Sublessor

- and -

PROFESSIONAL ACCESS LIMITED

as Sublessee

Premises: A Portion of the 14th Floor
125 Broad Street
New York, New York

Date: May 7, 2001

<Page>

TABLE OF CONTENTS

Term.....2

Fixed Rent.....3

Electricity Charge.....5

Additional Rent.....6

Occupancy Tax.....6

Use.....7

Compliance with Underlying Lease.....7

Non-Liability, Indemnity.....7

Performance by Underlying Landlord.....8

Repairs, Cleaning.....10

Alterations.....10

Initial Occupancy.....11

Assignment and Subsubletting.....11

Insurance.....12

Default.....14

Destruction by Fire or Other Casualty, Condemnation.....14

Attornment.....15

Sublease Consent.....15

Notice.....16

Quiet Enjoyment.....17

Surrender of Demised Premises.....17

Broker(s).....17

Excluded Provisions.....18

Security Deposit.....	18
Negotiations with Underlying Landlord.....	20
Inability to Perform, Delays.....	20
No Waivers.....	20
Limitations on Sublessee's Remedies.....	20
Entire Agreement, Miscellaneous.....	21
Signage and Directory.....	23

EXHIBIT A: Floor Plans
EXHIBIT B: Letter of Credit Form

<page>

AGREEMENT OF SUBLEASE (this "Sublease"), dated as of the 7th day of May, 2001, by and between INDIVIDUAL INVESTOR GROUP, INC., a Delaware corporation, having offices at 125 Broad Street, 14th Floor, New York, New York ("Sublessor"), and PROFESSIONAL ACCESS LIMITED, a New York corporation, having offices at 14 Wall Street, New York, New York 10005 ("Sublessee").

W I T N E S S E T H:

WHEREAS, Sublessor is a tenant of certain premises in the building located at 125 Broad Street, New York, New York (the "Building"), and Sublessee is desirous of subletting a portion of such space comprised of a portion of the fourteenth (14th) floor of the Building, as shown hatched on the floor plan annexed hereto as Exhibit "A" (the "demised premises" or "Demised Premises") from Sublessor upon the terms and conditions hereinafter set forth:

NOW, THEREFORE, in consideration of the rental payments to be made hereunder by Sublessee to Sublessor and the mutual terms, covenants, conditions, provisions and agreements hereinafter set forth, Sublessor does hereby sublet to Sublessee, and Sublessee does hereby take and hire from Sublessor, the demised premises.

This Sublease shall be expressly subject and subordinate to all of the terms, covenants, conditions, provisions and agreements contained in that certain lease, dated as of November 30, 1998, entered into between 125 Broad Unit C LLC, as landlord ("Underlying Landlord"), and Sublessor, as tenant thereunder, as the same may have been amended (which lease, as and if so amended, is hereinafter referred to as the "Underlying Lease"), except such terms, covenants, conditions, provisions and agreements as are specifically inconsistent with the provisions hereof or are set forth in Article 23 below (the "Excluded Provisions"). All express provisions of this Sublease shall govern in all circumstances unless use of the demised premises or any action or inaction taken in accordance with said provisions may be the basis of a default under the Underlying Lease, in which case the inconsistency shall be resolved in favor of the provisions of the Underlying Lease. A true copy of the Underlying Lease, with certain of the Excluded Provisions and other particular information deleted ("Deleted Provisions"), has been delivered to, and reviewed by, Sublessee.

<page>

1. Term.

(A) The term of this Sublease shall commence (the "Commencement Date") on the later to occur of the date on which Underlying Landlord shall consent hereto in writing pursuant to Article 18 below and May 1, 2001. The term of this Sublease shall terminate on March 30, 2004 (the "Expiration Date"), unless such term shall sooner cease or terminate pursuant to the terms of this Sublease. Sublessor and Sublessee agree to confirm the actual Commencement Date in writing; provided, however, the failure to so confirm shall have no effect on the Commencement Date, or otherwise.

(B) Notwithstanding anything to the contrary contained herein, if for any reason the term of the Underlying Lease is terminated prior to the Expiration Date of this Sublease, this Sublease shall thereupon be terminated and Sublessor shall not be liable to Sublessee by reason thereof unless such termination is due to, or involves, a breach by Sublessor of its obligations under the Underlying Lease or this Sublease.

(C) If the demised premises to be included within the demised premises shall not be available for occupancy by Sublessee on the specific date hereinbefore designated for the commencement of the term of this Sublease or for the inclusion of such space for any reason whatsoever, then this Sublease shall not be affected thereby but, in such case, said specific date shall be deemed to be postponed until the date when the demised premises shall be available for occupancy by Sublessee, and Sublessee shall not be entitled to possession of the demised premises until the same are available for occupancy by Sublessee; provided, however, that Sublessee, shall have no claim against Sublessor, and Sublessor shall have no liability to Sublessee, by reason of any such postponement of said specific date, and the parties hereto further agree that any failure to have the demised premises or such additional space available for occupancy by Sublessee on said specific date or on the Commencement Date shall in no wise affect the obligations of Sublessee hereunder nor shall the same be construed in any wise to extend the term of this Sublease unless specifically provided to the contrary in the preamble to this Sublease and furthermore, this

2

<page>

Paragraph 1(C) shall be deemed to be an express provision to the contrary of Section 223-a of the Real Property Law of the State of New York and any other law of like import now or hereafter in force. Notwithstanding anything to the contrary contained herein, Sublessee shall have the option to terminate this Sublease if possession is not delivered to the Sublessee with Sublessor's Work (as defined in Paragraph 12(B) herein) substantially complete by August 1, 2001, or within such period after such date (not exceeding three (3) months) as shall equal the aggregate period Sublessor may have been delayed in doing so by any act or omission of Subtenant or any labor trouble, governmental controls, act of God, or any other cause beyond Sublessor's reasonable control.

2. Fixed Rent.

(A) Sublessee shall pay to Sublessor, during the term of this Sublease, the annual rental ("fixed rent") of: (i) Five Hundred Sixty-One Thousand and 00/100 Dollars (\$561,000.00) per annum for the period commencing on May 1, 2001 through March 31, 2002, payable in equal monthly installments of Forty-Six Thousand Seven Hundred Fifty and 00/100 Dollars (\$46,750.00); (ii) Five Hundred Seventy-Seven Thousand Eight Hundred Thirty and 00/100 Dollars (\$577,830.00) per annum for the period commencing on April 1, 2002 through March 31, 2003, payable in monthly installments of Forty-Eight Thousand One Hundred Fifty-Two and 50/100 Dollars (\$48,152.50); and (iii) Five Hundred Ninety-Five Thousand One Hundred Sixty-Five and 00/100 Dollars (\$595,165.00) for the period commencing on April 1, 2003 through the Expiration Date payable in monthly installments of Forty-Nine Thousand Five Hundred Ninety-Seven and 08/100 Dollars (\$49,597.08). Notwithstanding the foregoing, the fixed rent shall abate for the period commencing on the Commencement Date and ending thirty (30) days thereafter in an amount not to exceed Forty-Six Thousand Seven Hundred Fifty and 00/100 Dollars (\$46,750.00).

3

<page>

(B) Each monthly installment of fixed rent shall be paid by the twenty-fifth (25th) day of the month preceding the month in which such fixed rent is due under the Underlying Lease by check drawn on a bank reasonably acceptable to Sublessor with an office in New York at which the check can be presented for payment, except the first (1st), third (3rd), fourth (4th) and sixth (6th) full monthly installments of fixed rent shall be paid upon the execution of this Sublease by Sublessee. The fixed rent for any month of the term of this Sublease which does not begin or end on the first or last day of a calendar month shall be prorated on a daily basis in accordance with the fixed rent due for the calendar month. Since the installment for the first full month's fixed rent is being paid by Sublessee upon the execution of this Sublease regardless of whether the term shall have commenced on the first day of a calendar month, any adjustment to which Sublessee is entitled on account of the immediately preceding sentence shall be made to the monthly installment of fixed rent due on the first day of the calendar month next following the month in which the Commencement Date occurs. All fixed rent, additional rent (as hereinafter defined) and other sums and charges due to Sublessor under this Sublease shall be paid by Sublessee at the office of Sublessor set forth above, or at such other place as Sublessor may designate, without any notice, setoff or deduction whatsoever. Sublessee's obligation to make such payments shall survive the Expiration Date or sooner termination of this Sublease.

4

<page>

(C) All other costs and expenses which Sublessee assumes or agrees to pay pursuant to this Sublease shall be deemed "additional rent" and, in the event of non-payment, Sublessor shall have all the rights and remedies herein provided for in case of non-payment of fixed rent. If Sublessee shall fail to pay any installment of fixed rent or additional rent within a period of five (5) days after the due date of the installment in question, Sublessee shall also pay to Sublessor (i) a late charge equal to three (3%) percent per month of the overdue

amount, such late charge to be payable as additional rent hereunder and (ii) interest from the due date until paid at the rate of four percent (4%) over the then "Prime Rate" as published in The Wall Street Journal or the New York Times for ninety (90) day unsecured loans to major corporate borrowers (unless such rate is usurious as applied to Tenant, in which case the highest rate permitted by law shall apply) (the "Prime Rate"). In the event the Prime Rate is no longer the reference rate for ninety (90) day unsecured loans to major corporate borrowers, the replacement or successor reference rate to the Prime Rate shall be used in determining the interest to be paid by Tenant pursuant to this Section. The payment of such late charge shall be in addition to all other rights and remedies available to Sublessor in the case of non-payment of fixed rent.

(D) If Sublessor shall be charged with respect to the demised premises for any other sums or charges pursuant to the provisions of the Underlying Lease, including, without limitation, for overtime or other extra services requested by Sublessee, then Sublessee shall be liable for all such sums and charges as additional rent under this Sublease and such sums shall be due and payable by Sublessee to Sublessor on demand.

3. Electricity Charge.

(A) The cost to Sublessee of electricity furnished to the demised premises shall be Forty-Six Thousand Seven Hundred Fifty and 00/100 Dollars (\$46,750.00) per annum, payable in monthly installments of Three Thousand Eight Hundred Ninety-Five and 83/100 Dollars (\$3,895.83); provided, however, if Sublessee requires additional electricity to be furnished to the demised premises, same may be furnished by Sublessor, if at all, in Sublessor's sole discretion and otherwise in accordance with, and with such other charges, costs and expenses as are provided under Section 8.6 of the Underlying Lease. Any sums due and payable to Sublessor under this Section 3(A) shall be deemed to be, and collectible as, additional rent.

5

<page>

(B) Sublessor shall not be liable in any way to Sublessee for any failure or defect in the supply or character of electric current furnished to the demised premises. Sublessee covenants and agrees that, at all times, its connected electrical load shall not cause a default under the Underlying Lease.

4. Additional Rent. Sublessee shall pay to Sublessor, as additional rent, Sublessee's Proportionate Share of all amounts payable by Sublessor to Underlying Landlord pursuant to Article 5 of the Underlying Lease, which are applicable to the term of this Sublease. Notwithstanding the preceding sentence, Sublessor and Sublessee agree that Sublessee shall not be liable for Operating Expenses (as defined in Section 5.1(E) of the Underlying Lease) under Article 5 of the Underlying Lease. Notwithstanding anything to the contrary and for purposes of determining the amounts payable by Sublessee pursuant to this Article 4, the Base Tax Factor for Taxes shall be deemed to mean Taxes for the average of the 1999/2000 and 2000/2001 Tax Years. Payment of amounts due hereunder shall be made in the manner and ten (10) days before each such date that Sublessor shall be required to pay its corresponding share of such additional rent pursuant to the Underlying Lease. Payments for the first and last years of the term of this Sublease shall be equitably prorated. For the purposes of this Sublease, the term "Sublessee's Proportionate Share" shall be deemed to mean 48.57%.

5. Occupancy Tax. Sublessee shall pay directly to the City of New York all occupancy and rent taxes which may be payable to the City of New York in respect of the fixed rent reserved by this Sublease, if any, and all other taxes required to be paid under the Underlying Lease or otherwise required by law as a result of Sublessee's occupancy of the demised premises, the payment of which shall be imposed directly upon any occupant of the demised premises.

6

<page>

6. Use. Sublessee shall use the demised premises only for general office use consistent with the Class A nature of the Building and otherwise in accordance with the provisions of the Underlying Lease.

7. Compliance with Underlying Lease. Sublessee covenants and agrees to observe and perform all of the terms, covenants, conditions, provisions and agreements to be performed by Sublessor, as tenant pursuant to the Underlying Lease, except for any Excluded Provisions, and further covenants and agrees not to do or suffer or permit anything to be done which would result in a default under the Underlying Lease or cause the Underlying Lease to be terminated. All of the terms, covenants, conditions, provisions and agreements of the Underlying Lease, excepting any Excluded Provisions, are hereby incorporated herein with the same force and effect as if herein set forth in full and wherever the term "Tenant" occurs in the Underlying Lease, the same shall be deemed to refer to Sublessee. Notwithstanding the foregoing, all grace periods specified in Article 25 of the Underlying Lease shall, for purposes of determining compliance by Sublessee with

the provisions hereof, be each reduced by three (3) days, with respect to any monetary default cure period and by ten (10) days, with respect to any non-monetary default cure period, therein provided. The obligations of Sublessee provided above in this Article 7 shall refer only to those obligations of Sublessor under the Underlying Lease that relate to the demised premises.

8. Non-Liability, Indemnity. Sublessee shall indemnify and hold harmless Sublessor, its subsidiaries and affiliates and each of their respective officers, directors, members, managers or partners, agents, contractors, servants, licensees, employees or invitees (each an "Indemnified Party") from and against any and all claims, losses, liabilities, damages, costs and expenses (including, without limitation, reasonable attorney's fees and disbursements) arising out of or related to the use, conduct or maintenance of the demised premises or any business therein or any work or thing whatsoever done, or any

7

<page>

condition created in or about the demised premises during the term of this Sublease by Sublessee, its agents, contractors, servants, licensees, employees or invitees (or any time prior to the Commencement Date that Sublessee may have been given access to the demised premises), any negligent or otherwise wrongful act or omission of Sublessee or any of its agents, contractors, servants, licensees, employees or invitees, any failure of Sublessee to perform or comply with all of the provisions of this Sublease hereof that are applicable to Sublessee, and any obligation Sublessor may have to indemnify Underlying Landlord under the Underlying Lease, to the extent related to the demised premises. In case any action or proceeding be brought against any Indemnified Party by reason of any of the foregoing, Sublessee, upon notice from such Indemnified Party, shall defend such action or proceeding by counsel chosen by Sublessee, who shall be reasonably satisfactory to such Indemnified Party. Sublessee or its counsel shall keep such Indemnified Party fully apprised at all times of the status of such defense and shall not settle same without the written consent of such Indemnified Party.

9. Performance by Underlying Landlord.

(A) Sublessor does not assume any obligation to perform the terms, covenants, conditions, provisions and agreements contained in the Underlying Lease on the part of Underlying Landlord to be performed or make any representation or warranty made by Underlying Landlord. In the event Underlying Landlord shall fail to perform any of the terms, covenants, conditions, provisions and agreements contained in the Underlying Lease on its part to be performed, Sublessor shall be under no obligation to perform such services or have any liability whatsoever to Sublessee in connection therewith. Sublessor shall cooperate with Sublessee, at no cost to Sublessor, in seeking to obtain the

8

<page>

performance of Underlying Landlord under the Underlying Lease. If Underlying Landlord shall default in any of its obligations with respect to the demised premises, or there shall exist a bona fide dispute with Underlying Landlord under the terms, covenants, conditions, provisions and agreements of this Sublease and/or the Underlying Lease and Sublessee notifies Sublessor in writing that Sublessee has previously notified Underlying Landlord in writing of such dispute and that such default or notice has been disregarded or not reasonably satisfactorily acted upon, then upon Sublessee's written request and provided Sublessee is not in default under this Sublease, Sublessor shall use reasonable efforts to enforce its rights under the Underlying Lease for Sublessee's benefit, including, but not limited to, giving notices, claims and demands to and on Underlying Landlord. Sublessee shall reimburse Sublessor for all costs incurred in connection with the enforcement of such rights. Notwithstanding the foregoing, Sublessor shall have no obligation to commence any action at law or in equity to obtain any relief sought by Sublessee by reason of Underlying Landlord's breach of its obligations under the Underlying Lease. Sublessee shall indemnify Sublessor against, and hold Sublessor harmless from and against any and all loss, cost, damage, expense or liability (including, but not limited to, reasonable attorneys' fees and disbursements) incurred by Sublessor by reason of the enforcement of its rights under the Underlying Lease for the benefit of Sublessee, such indemnity shall survive the Expiration Date or sooner termination of this Sublease.

(B) Sublessee shall not be allowed any abatement or diminution of fixed rent or additional rent under this Sublease because of Underlying Landlord's failure to perform any of its obligations under the Underlying Lease. Notwithstanding the foregoing, in the event that Sublessor receives an abatement or diminution of fixed rent or additional rent from Underlying Landlord that relates to the demised premises, Sublessee shall be entitled to its allocable share of such abatement or diminution less any reasonable expenses incurred by Sublessor in obtaining such abatement or diminution from Underlying Landlord.

9

<page>

10. Repairs, Cleaning. Sublessee shall be entitled to receive all of those services and repairs, if any, which Underlying Landlord may be obligated to provide and to make under the terms, covenants, conditions, provisions and agreements of the Underlying Lease and to the extent that Underlying Landlord is not required to provide any such services and repairs, Sublessee shall be responsible therefor, subject to and in accordance with the provisions of the Underlying Lease.

11. Alterations. Sublessee shall not make any changes, alterations, additions or improvements to the demised premises without first obtaining the written consent of Sublessor (which may be given or withheld in Sublessor's sole discretion) and Underlying Landlord (which may be given or withheld in accordance with the provisions of the Underlying Lease). Notwithstanding the foregoing, Sublessor's consent shall not be unreasonably withheld if the written consent of Underlying Landlord is first obtained. Simultaneously with the submission of documents to Underlying Landlord, Sublessee shall send copies of all such documents regarding alterations to Sublessor. Sublessee shall pay all costs and expenses relating to any changes, alterations, additions or improvements and shall cause same to be completed in accordance with the terms, covenants, conditions, provisions and agreements of the Underlying Lease. Sublessee hereby agrees to indemnify, defend and hold Sublessor harmless from and against any and all loss, cost, damage, expense or liability (including, but not limited to, reasonable attorneys' fees and disbursements) incurred by Sublessor as a result of Sublessee's failure to comply with the provisions of this Article 11.

10

<page>

12. Initial Occupancy.

(A) Sublessee represents that it has inspected the demised premises and agrees to take the same in its present "As Is" condition, and Sublessee acknowledges that no representations with respect to the condition thereof or otherwise, of any kind or nature, have been made. Any work required by Sublessee to prepare the demised premises for its occupancy shall be paid for by Sublessee and shall be subject to all of the terms, covenants, conditions, provisions and agreements set forth in the Underlying Lease.

(B) Notwithstanding the foregoing, Sublessor shall, at Sublessor's sole cost and expense, through contractor(s) engaged by Sublessor, provide a double door entrance-way in similar condition to the wood doors that presently exist in Sublessor's entrance-way, and otherwise deliver the demised premises in "broom clean" condition (hereinafter called "Sublessor's Work").

13. Assignment and Subsubletting.

(A) Sublessee shall not (a) assign this Sublease, or (b) permit this Sublease to be assigned by operation of law or otherwise, or (c) sublet all or any part of the demised premises, or (d) mortgage, pledge, hypothecate or otherwise encumber its interest in this Sublease, the term and estate hereby granted or the rentals hereunder, in whole or in part, or (e) grant any concession, license or otherwise permit the demised premises to be used or occupied by any person(s) other than Sublessee (the term "Sublessee" includes, the directors, officers and employees of Sublessee in their capacities as such), or (f) permit the demised premises or any desk space therein to be used or occupied by any person(s) other than Sublessee, without the prior written consent of Sublessor (which may be given or withheld in Sublessor's sole discretions) and Underlying Landlord (which may be given or withheld in accordance with Article 19 of the Underlying Lease).

11

<page>

(B) If this Sublease is assigned, or if the demised premises or any part thereof is subsublet or occupied by one other than Sublessee, whether or not Sublessee shall have been granted any required consent, Sublessor may, after default by Sublessee, collect rent and other charges from such assignee, subsubtenant or other occupant, and apply the net amount collected to fixed rent and other charges herein reserved, but no such assignment, subsubletting, occupancy or collection shall be deemed to be a waiver of the requirements of this Article 13 or an acceptance of the assignee, subsubtenant or other occupant as the sublessee under this Sublease. The consent by Sublessor to an assignment or subsubletting shall not in any way be construed to relieve Sublessee from obtaining the consent of Underlying Landlord and Sublessor to any further assignment or subsubletting. No assignment or subsubletting shall, in any way, release, relieve or modify the liability of Sublessee under this Sublease and Sublessee shall be and remain liable under all of the terms, covenants, conditions, provisions and agreements hereof.

14. Insurance.

(A) During the term of this Sublease, Sublessee, at its sole cost and expense, shall provide and maintain commercial general public liability and all-risk property damage insurance in conformity with the provisions of Article 16 of the Underlying Lease. Sublessee shall cause Sublessor and Underlying Landlord (and

any other parties if required pursuant to the provisions of the Underlying Lease) to be included as additional insureds in said policy or policies which shall contain provisions, if and to the extent available, that it or they will not be cancelable except upon at least thirty (30) days prior written notice to all insureds and that the act or omission of one insured will not invalidate the policy as to the other insureds. Sublessee shall furnish to Sublessor reasonably satisfactory evidence that such insurance is in effect at or before the Commencement Date and, on request, at reasonable intervals thereafter.

12

<page>

(B) Nothing contained in this Sublease shall relieve Sublessee from liability that may exist as a result of damage from fire or other casualty, but each party shall look first to any insurance in its favor before making any claim against the other party for recovery for loss or damage resulting from fire or other casualty. To the extent permitted by law, Sublessor and Sublessee each hereby releases and waives all right of recovery against the other or anyone claiming through or under the other by way of subrogation or otherwise. The foregoing release and waiver shall be in force only if the insurance policies of Sublessor and Sublessee provide that such release or waiver does not invalidate the insurance. Each party agrees to use its best efforts to include in its applicable insurance policies such a provision. If the inclusion of said provision would involve an additional expense, either party, at its expense, may require such provision to be inserted in the other's policy.

(C) Sublessee hereby releases Underlying Landlord or anyone claiming through or under Underlying Landlord by way of subrogation or otherwise to the extent that Sublessor released Underlying Landlord or Underlying Landlord was relieved of liability or responsibility pursuant to the provisions of the Underlying Lease, and Sublessee will cause its insurance carriers to include any clauses or endorsements in favor of Underlying Landlord which Sublessor is required to provide pursuant to the provisions of the Underlying Lease.

13

<page>

15. Default. In the event Sublessee defaults in the performance of any of the terms, covenants, conditions, provisions and agreements of this Sublease or of the Underlying Lease, Sublessor shall be entitled to exercise any and all of the rights and remedies to which it is entitled by law and also any and all of the rights and remedies specifically provided for in the Underlying Lease, which are hereby incorporated herein and made a part hereof with the same force and effect as if herein specifically set forth in full, and that wherever in the Underlying Lease rights and remedies are given to Underlying Landlord, the same shall be deemed to refer to Sublessor.

16. Destruction by Fire or Other Casualty, Condemnation.

(A) If the demised premises or the Building shall be partially or totally damaged or destroyed by fire or other casualty, Sublessee shall have no right to terminate this Sublease and this Sublease shall not be terminated by reason of such casualty unless the Underlying Lease is terminated by Sublessor or Underlying Landlord pursuant to the provisions of Article 23 of the Underlying Lease.

(B) If the demised premises are partially or totally damaged by fire or other casualty as a consequence of which Sublessor shall receive an abatement of rent relating to the demised premises, then in such event, there shall be a corresponding abatement of the fixed rent payable hereunder.

(C) Sublessee shall give Sublessor and Underlying Landlord notice of any fire, casualty or accident in or about the demised premises promptly after Sublessee becomes aware of such event.

(D) If the Underlying Lease is terminated pursuant to the provisions of Article 23 thereof as the result of a taking of all or any portion of the Building by condemnation (or deed in lieu thereof), this Sublease shall likewise terminate. In such event, Sublessee shall have no claim to any portion of the award with respect to any such taking, except to file a separate claim for the value of its fixtures or for moving expenses; provided, however, that Sublessor's award is not thereby reduced or otherwise adversely affected.

14

<page>

(E) Sublessee waives the provisions of Section 227 of the New York Real Property Law, which is superseded by the provisions of this Article 16.

17. Attornment. If the Underlying Lease and Sublessor's leasehold interest in the demised premises shall be terminated, other than as a result of a casualty or condemnation or sale in lieu thereof, Sublessee shall, if so requested in writing by Underlying Landlord, attorn to Underlying Landlord and shall, during the term of this Sublease, perform all of the terms, covenants, conditions, provisions and agreements of this Sublease on the part of Sublessee to be

performed. In the event of any such attornment, Underlying Landlord shall not be liable for any act or omission or default of any prior sublessor (including, without limitation, Sublessor); subject to any offsets or defenses which Sublessee might have against any prior sublessor (including, without limitation, Sublessor); bound by any fixed rent or additional rent which Sublessee might have paid for more than the current month to any prior sublessor (including, without limitation, Sublessor); or bound by any amendment or modification of this Sublease made without Underlying Landlord's written consent. The foregoing shall be self-operative without the necessity of the execution of any further instruments, but Sublessee agrees, upon the demand of Underlying Landlord, to execute, acknowledge and deliver any instrument or instruments confirming such attornment.

18. Sublease Consent. This Sublease shall become effective only if the written consent hereto of Underlying Landlord is obtained. If such written consent is not obtained, then this Sublease shall be null and void and of no force or effect and Sublessor shall return to Sublessee the first (1st), third (3rd), fourth (4th) and sixth (6th) month's rent and the security deposit and thereupon neither party shall have any further obligation to the other. Sublessor shall

15

<page>

promptly request the consent of Underlying Landlord to this Sublease. Sublessee agrees to provide such information in connection with such request as Underlying Landlord shall reasonably request. If the foregoing consent is not obtained within sixty (60) days following the execution and delivery of this Sublease by both parties, then either Sublessor or Sublessee may, within ten (10) days following the expiration of said sixty (60) day period, cancel this Sublease by giving written notice to the other party of its election to cancel. If either Sublessor or Sublessee do not give notice to cancel within said ten (10) day period, Sublessor or Sublessee shall only have the right to cancel this Sublease pursuant to this Article 18, thereafter only up until the time Underlying Landlord's consent may ultimately be given. Upon Sublessor's receipt of a valid notice of cancellation, this Sublease shall be null and void and Sublessor shall return to Sublessee the first (1st), third (3rd), fourth (4th) and sixth (6th) month's rent and thereupon neither party shall have any further obligation to the other. In the event that Underlying Landlord shall notify Sublessor that it will not consent to this Sublease, then Sublessor will promptly notify Sublessee of such fact, return to Sublessee the first (1st), third (3rd), fourth (4th) and sixth (6th) month's rent and security deposit, and thereupon this Sublease shall be null and void.

19. Notice. Any notice to be given under this Sublease shall be in writing and shall be delivered by hand or sent by certified mail, return receipt requested, or by nationally-recognized overnight courier, addressed to (i) Sublessor at its (a) address herein stated, Attention: Chief Executive Officer, with a copy to (b) Arent Fox Kintner Plotkin & Kahn, PLLC, 1675 Broadway, 25th Floor, New York, New York 10019, Attention: Bradley A. Kaufman, Esq.; and (ii) Sublessee (a) at its address herein stated prior to the Commencement Date, Attention: Mr. Babu Venkatesh, (b) at the demised premises subsequent to the Commencement Date, Attention: Mr. Babu Venkatesh. No notice shall be effective unless given to all of the parties listed hereinabove. Each party shall have the right to designate, by notice in writing, any other address to which such party's notice is to be sent. Any notice to be given by either party may be given by the attorneys for such party. Any notice sent as aforesaid shall be deemed given upon the date of first attempted delivery.

16

<page>

20. Quiet Enjoyment. Sublessor covenants that Sublessee, on paying the fixed rent and additional rent and performing all the terms, covenants, conditions, provisions and agreements aforesaid, shall and may peacefully and quietly have, hold and enjoy the demised premises for the term aforesaid, free from any interference or hindrance by Sublessor, but subject to the exceptions, reservations and conditions hereof.

21. Surrender of Demised Premises. On the date upon which the term hereof shall expire and come to an end, whether on the Expiration Date, by lapse of time or otherwise, Sublessee, at Sublessee's sole cost and expense, shall quit and surrender the demised premises to Sublessor in the same order and condition as Sublessor is required to surrender the demised premises under Article 27 of the Underlying Lease.

22. Broker(s). Sublessee represents to Sublessor that Newmark & Company Real Estate, Inc. and Murray Hill Properties (collectively, the "Brokers") are the only brokers with whom Sublessee dealt in relation to this transaction and that Sublessee has had no dealings, either direct or indirect, with any other real estate agent or broker in connection with this transaction. Sublessee shall be under no obligation to pay any fees payable to the Brokers in connection with this Sublease. Sublessee agrees to indemnify, defend and hold each Indemnified Party harmless from any loss, liability and expense incurred by such Indemnified Party as a result of any claim made against such Indemnified Party which is

based upon a breach of said representation by Sublessee. Sublessee's indemnification obligation pursuant to this Sublease (including, without limitation, Articles 8, 9, 11 and 22 herein) shall survive the Expiration Date or sooner termination of this Sublease.

17

<page>

23. Excluded Provisions. The following provisions of the Underlying Lease are deemed to be Excluded Provisions: the Fundamental Lease Provisions, Articles 2, 3 and 4, Sections 5.1(A), (B) and (E), 5.3(a), 5.3(b) (with respect to Tenant's Operating Payment only), 5.3(c), 5.6, 5.7 (with respect to Tenant's Operating Payment and Tenant's right to audit Landlord's books only), 5.8 (with respect to Tenant's Operating Payment only), 5.9, 5.12, 34.5 and 40.10, Articles 6, 7, 12, 14, 19, 25, 28, 30, 31, 39 and 42 and Exhibits B and G, and all references in the Underlying Lease to the aforesaid Articles, Sections or Exhibits of the Underlying Lease shall not be deemed incorporated in or made a part hereof.

24. Security Deposit.

(A) Sublessee shall deliver to Sublessor, and shall maintain in effect at all times during the term of this Sublease following delivery thereof, a clean, unconditional and irrevocable letter of credit, in substantially the form annexed hereto as Exhibit B, in the amount of Fifty-Five Thousand Six Hundred Eight and 84/100 Dollars (\$55,608.84) issued by a banking corporation ("Bank") reasonably satisfactory to Sublessor and having its principal place of business or its duly licensed branch in the City of New York at which the letter of credit may be presented for payment. Such letter of credit shall serve as security for the faithful performance and observance by Sublessee of the terms, covenants, conditions, provisions and agreements of this Sublease. It is agreed that in the event Sublessee defaults in respect of any of the terms, covenants, conditions, provisions and agreements of this Sublease, including, but not limited to, the payment of fixed rent and additional rent, Sublessor may use, apply or retain the whole or any part of the security so deposited to the extent required for the payment of any fixed rent and additional rent or any other sum as to which Sublessee is in default or for any sum which Sublessor may expend or may be required to expend by reason of Sublessee's default in respect of any of the terms, covenants, conditions, provisions and agreements of this Sublease, including, but not limited to, any damages or deficiency in the reletting of the

18

<page>

demised premises, whether such damages or deficiency accrued before or after summary proceedings or other re-entry by Sublessor. If Sublessor so applies or retains any part of the security, Sublessee shall, upon demand, promptly restore the amount so applied or retained so that Sublessor shall have the full amount of the letter of credit as provided herein on hand at all times during the term of this Sublease. In the event that Sublessee shall fully and faithfully comply with all of the terms, covenants, conditions, provisions and agreements of this Sublease, the letter of credit, or any remaining portion of any sum collected by Sublessor hereunder from the Bank, shall be returned to Sublessee forty-five (45) days after the later of: (i) the Expiration Date or (ii) delivery of entire possession of the demised premises to Sublessor in the condition required by the Underlying Lease. In the event of an assignment by Sublessor of its interest under the Underlying Lease, Sublessor shall have the right to transfer the security and Sublessee agrees to look to the new sublessor solely for the return of said security and it is agreed that the provisions hereof shall apply to every transfer or assignment made of the security to a new sublessor. Sublessee further covenants that it shall not assign or encumber or attempt to assign or encumber the monies deposited herein as security and that neither Sublessor nor its successors or assigns shall be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance.

(B) Such letter of credit shall have an expiration date no earlier than the first anniversary of the date of issuance thereof and shall provide that it shall be automatically renewed from year to year unless terminated by the Bank by notice to Sublessor given not less than ninety (90) days prior to the then expiration date therefor. It is agreed that in the event Sublessee defaults in respect of any of the terms, covenants, conditions, provisions or agreements of this Sublease, including, but not limited to, the payment of fixed rent and additional rent, or if the letter of credit is terminated pursuant to the preceding sentence and is not replaced within forty-five (45) days prior to its expiration date that (i) Sublessor shall have the right to require the Bank to make payment to Sublessor of so much of the entire proceeds of the letter of credit as shall be reasonably necessary to cure the default, and (ii) Sublessor may apply said sum so paid to it by the Bank to the extent required for the payment of any fixed rent or additional rent or any other sum as to which Sublessee is in default or for any sum which Sublessor may expend or may be required to expend by reason of Sublessee's default in respect of any of the terms, covenants, conditions, provisions and agreements of this Sublease, including, but not limited to, any damages or deficiency in the reletting of the demised premises, whether such damages or deficiency accrues before or after summary proceedings or other re-entry by Sublessor, without thereby waiving any

other rights or remedies of Sublessor with respect to such default. To insure that Sublessor may utilize the security represented by the letter of credit in the manner, for the purpose, and to the extent provided in this Article 24, each letter of credit shall provide that the full amount thereof may be drawn down by Sublessor upon the presentation to the issuing bank of Sublessor's draft drawn on the issuing bank. Sublessee shall have the right to substitute one letter of credit for another, provided that, at all times, the letter of credit shall meet the requirements of this subparagraph 24(B). If Sublessee shall fail to obtain any replacement of a letter of credit within the time limits set forth in this Article 24, Sublessor may draw down the full amount of the letter of credit and retain the same as security hereunder.

19

<page>

25. Negotiations with Underlying Landlord. Sublessee represents and warrants to Sublessor that it is not actively negotiating with Underlying Landlord to lease space in the Building.

26. Inability to Perform, Delays. If Sublessee shall be delayed in obtaining possession of the demised premises because of any reason beyond the reasonable control of Sublessor, Sublessor shall not be subject to any liability, the effectiveness of this Sublease shall not be affected and the term hereof shall not be extended, but the fixed rent shall be abated (provided Sublessee is not responsible for any such delay in obtaining possession) until possession shall have been made available to Sublessee.

27. No Waivers. Failure by either party in any instance to insist upon the strict performance of any one or more of the obligations of the other party under this Sublease, or to exercise any election herein contained or acceptance of payment of any kind with knowledge of a default by the other party, shall in no manner be or be deemed to be a waiver by such party of any defaults or breaches hereunder or of any of its rights and remedies by reason of such defaults or breaches, or a waiver or relinquishment for the future of the requirement of strict performance of any and all of the defaulting party's obligations hereunder. Further, no payment by Sublessee or receipt by Sublessor of a lesser amount than the correct amount of fixed rent and/or additional rent due hereunder shall be deemed to be other than a payment on account, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed to effect or evidence an accord and satisfaction, and Sublessor may accept any checks or payments as made without prejudice to Sublessor's right to recover the balance or pursue any other remedy in this Sublease or otherwise provided at law or in equity.

28. Limitations on Sublessee's Remedies.

With respect to any provision of this Sublease which specifically requires that Sublessor shall not unreasonably withhold or unreasonably delay its consent or approval, Sublessee in no event shall be entitled to make, nor shall Sublessee make, any claim, and Sublessee hereby waives any claim, for any sum of money whatsoever as damages, costs, expenses, attorneys' fees or disbursements, whether affirmatively or by way of setoff, counterclaim or defense, based upon any claim or assertion by Sublessee that Sublessor has unreasonably withheld or unreasonably delayed such consent or approval. Sublessee's sole remedy for claimed unreasonable withholding or unreasonable delaying by Sublessor of its consent or approval shall be an action or proceeding brought and prosecuted solely at Sublessee's own cost and expense to enforce such provision, for specific performance, injunction or declaratory judgment.

20

<page>

29. Entire Agreement, Miscellaneous.

(A) This Sublease shall be governed by and construed in accordance with the laws of the State of New York without regard to the conflicts of law principles thereof.

(B) The paragraph headings in this Sublease are inserted only as a matter of convenience for reference and are not to be given any effect in construing this Sublease.

(C) If any of the provisions of this Sublease or the application thereof to any person or circumstance shall be, to any extent, held to be invalid or unenforceable, the remainder of this Sublease shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

(D) All of the terms and provisions of this Sublease shall be binding upon and, except as prohibited by Article 13 hereof, inure to the benefit of the parties hereto and their respective permitted successors and assigns.

(E) All prior negotiations and agreements relating to this Sublease and the demised premises are merged into this Sublease. This Sublease may not be

amended, modified or terminated, in whole or in part, nor may any of the provisions be waived, except by a written instrument executed by the party against whom enforcement of such amendment, modification, termination or waiver is sought and unless the same is permitted under the provisions of the Underlying Lease.

(F) Each person executing this Sublease hereby represents and warrants that he or she is a duly authorized representative of Sublessor or Sublessee, as the case may be, and has full authority to execute and deliver this Sublease.

(G) This Sublease shall have no binding force and effect and shall not confer any rights or impose any obligations upon either party unless and until both parties have executed it and Sublessor shall have obtained Underlying Landlord's written consent to this Sublease pursuant to the provisions hereof and delivered to Sublessee an executed copy of such consent. Under no circumstances shall the submission of this Sublease in draft form by or to either party be deemed to constitute an offer for the subleasing of the demised premises.

21

<page>

(H) This Sublease may be executed in several counterparts each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

(I) This Sublease and all the obligations of Sublessee to pay fixed rent and additional rent and perform all of its other covenants and agreements hereunder shall in no way be affected, impaired, delayed or excused because Sublessor or Underlying Landlord are unable to fulfill any of their respective obligations hereunder, either explicit or implicit, if Sublessor or Underlying Landlord is prevented or delayed from so doing by reason of strikes or labor trouble or by accident, adjustment of insurance or by any cause whatsoever reasonably beyond Sublessor's or Underlying Landlord's control.

(J) Each and every right and remedy of Sublessor under this Sublease shall be cumulative and in addition to every other right and remedy herein contained or now or hereafter existing at law or in equity, by statute or otherwise.

(K) At any time and from time to time Sublessee shall, within ten (10) days after written request by Sublessor, execute, acknowledge and deliver to Sublessor a written statement certifying (i) that this Sublease has not been modified and is in full force and effect or, if modified, that this Sublease is in full force and effect as modified, and specifying such modification(s), (ii) the dates to which the fixed rent and additional rent and other charges have been paid, (iii) that, to the best of Sublessee's knowledge, no defaults exist under this Sublease or, if any do exist, the nature of such default(s) and (iv) as to such other matters as Sublessor may reasonably request.

22

<page>

30. Signage and Directory.

(A) Sublessee may, at Sublessee's sole cost and expense, install one (1) first-class office signage as approved by Sublessor and Underlying Landlord in a location in the lobby of the demised premises as designated by Sublessor and/or Underlying Landlord in accordance with Sublessor's uniform signage program for the floor and Underlying Landlord's signage requirements for the Building. Sublessee shall not install any additional signage in any part of the lobby or common corridor or in the entrance to the demised premises or in any portion of the Premises visible from the exterior of the Premises, without, in any such case, Sublessor's and Underlying Landlord's prior written consent, which consent may be granted or withheld in each of Sublandlord's and Underlying Landlord's sole and absolute discretion. In the event that Sublessee shall install any additional signage without first obtaining Sublessor's and Underlying Landlord's consent as provided in this Paragraph 30, Sublessor may, in addition to any other remedies Sublessor shall have, immediately remove such signage at Sublessee's cost and expense and without liability to Sublessee therefor.

(B) Subject to the provisions of this Sublease and Section 15.1 of the Underlying Lease, Sublessor agrees to request that Underlying Landlord add Sublessee's name on the Building lobby directory or provide Sublessee with Sublessee's Proportionate Share of Sublessors's existing directory lines.

* * * * *

[The remainder of this page is left intentionally blank;

the signature page follows.]

23

<Page>

IN WITNESS WHEREOF, the parties hereto have executed this

Agreement of Sublease as of the day and year first above written.

SUBLESSOR:

INDIVIDUAL INVESTOR GROUP, INC.

By: Jonathan Steinberg
Name: Jonathan Steinberg
Title: CEO

SUBLESSEE:

PROFESSIONAL ACCESS LIMITED

13-371-2246
Federal Identification Number

By: G. Babu Venkatesh
Name: Babu Venkatesh
Title: CEO

24

<Page>

EXHIBIT A

(Floor Plans)

[Attached]

<Page>

EXHIBIT B

(Letter of Credit Form)

[Bank Letterhead]

- -----
- -----
- -----

Re: Irrevocable Clean Standby Letter of Credit

Gentlemen:

By order of our client, ("____"), we hereby open our clean irrevocable Standby Letter of _____ Credit No. _____ in your favor for an amount not to exceed in the aggregate \$ US Dollars effective immediately.

Funds under this credit are available to you against your sight draft drawn on us mentioning thereon our Credit No. ____.

This Letter of Credit shall expire twelve (12) months from the date hereof; provided, however, that it is a condition of this Letter of Credit that it shall be deemed automatically extended, from time to time, without amendment, for one (1) year from the expiration date hereof and from each and every future expiry date, unless at least ninety (90) days prior to any expiry date we shall notify you by certified mail that we elect not to consider this Letter of Credit renewed for any such additional period, in which event unless a substitute Letter of Credit in conformity with the provisions hereof is delivered to you within forty-five (45) days following your receipt of our notice of nonrenewal you may, at any time thereafter, upon presentation of a sight draft accompanied by a certificate purportedly signed by an officer of your company stating "a replacement letter of credit has not been delivered" draw on the entire amount of this Letter of Credit.

This Letter of Credit is transferable and may be transferred one or more times. However, no transfer shall be effective unless advice of such transfer is received by us in the form signed by you and reasonably acceptable to us.

<Page>

We hereby agree with you that all drafts drawn or negotiated in compliance with the terms of this Letter of Credit will be duly and promptly honored upon presentment and delivery of your draft to our office at _____ accompanied by a certificate purportedly signed by an officer of your company confirming that you are entitled to draw the amount represented by the sight draft pursuant to the Sublease between you and _____ if negotiated on or prior to the expiry date as the same may from time to time be extended.

Partial draws are permitted under this Letter of Credit.

Except as otherwise specified herein, this Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1983) Revision, International Chamber of Commerce Publication No. 400.

Very truly yours,

(Name of Bank)

By: _____

AGREEMENT OF SUBLEASE

between

INDIVIDUAL INVESTOR GROUP, INC.,

as Sublessor

- and -

FAHNESTOCK & CO. INC.,

as Sublessee

Premises: A Portion of the 14th Floor
125 Broad Street
New York, New York

Date: December 18, 2001

Table of Contents

	Page
1. Sublease of Demised Premises.....	1
2. Subordination.....	2
3. Term.....	2
4. Appurtenant Rights.....	3
5. Fixed Rent.....	3
6. Electricity Charge.....	5
7. Additional Rent.....	7
8. Occupancy Tax.....	8
9. Intentionally omitted.....	8
10. Use.....	8
11. Compliance with Underlying Lease.....	8
12. Non-Liability, Indemnity.....	9
13. Performance by Underlying Landlord.....	10
14. Repairs, Cleaning.....	10
15. Alterations.....	11
16. Initial Occupancy.....	11
17. Assignment and Subsubletting.....	12
18. Insurance.....	13
19. Default.....	14
20. Destruction by Fire or Other Casualty, Condemnation....	15

21.	Attornment.....	16
22.	Sublease Consent.....	17
23.	Notice.....	17
24.	Quiet Enjoyment.....	18
25.	Surrender of Demised Premises.....	18
26.	Broker(s).....	18
27.	Excluded Provisions.....	19
28.	Security Deposit.....	19
29.	Intentionally omitted.....	21
30.	Inability to Perform, Delays.....	22

<page>

Table of Contents
(continued)

		Page
31.	No Waivers.....	22
32.	Intentionally omitted.....	23
33.	Entire Agreement, Miscellaneous.....	23
34.	Signage and Directory.....	25
35.	Telephone Room Access.....	26
36.	Computer Room Access.....	27

List of Exhibits:

- - - - -

- EXHIBIT A: Floor Plans
- EXHIBIT B: Letter of Credit Form
- EXHIBIT C: Commencement Date Letter
- EXHIBIT D: FF&E

<page>

AGREEMENT OF SUBLEASE (this "Sublease"), dated as of the 18th day of December, 2001, by and between INDIVIDUAL INVESTOR GROUP, INC., a Delaware corporation, having offices at 125 Broad Street, 14th Floor, New York, New York ("Sublessor"), and FAHNESTOCK & CO. INC., a New York corporation, having offices at 125 Broad Street, 16th floor, New York, New York 10004 ("Sublessee").

W I T N E S S E T H:

WHEREAS, Sublessor, as tenant, leases certain space on the 14th floor (the "Leased Premises") in the building located at 125 Broad Street, New York, New York (the "Building"), all as more particularly described in the Underlying Lease (as defined below).

WHEREAS, Sublessee is desirous of subletting a portion of the Leased Premises, as shown unhatched and marked as "Subtenant-2" on the floor plan annexed hereto as Exhibit "A" (the "demised premises" or "Demised Premises") from Sublessor upon the terms and conditions hereinafter set forth:

NOW, THEREFORE, in consideration of the rental payments to be made hereunder by Sublessee to Sublessor and the mutual terms, covenants, conditions, provisions and agreements hereinafter set forth, the Sublessee and Sublessor agree as follows:

1. Sublease of Demised Premises. Sublessor does hereby sublet to Sublessee, and Sublessee does hereby take and hire from Sublessor, the demised premises.

<page>

2. Subordination. This Sublease shall be expressly subject and subordinate to all of the terms, covenants, conditions, provisions and agreements contained in that certain lease, dated as of November 30, 1998, entered into between 125

Broad Unit C LLC, as landlord ("Underlying Landlord"), and Sublessor, as tenant thereunder, as the same may have been amended (which lease, as and if so amended, is hereinafter referred to as the "Underlying Lease"), except such terms, covenants, conditions, provisions and agreements as are specifically inconsistent with the provisions hereof or are set forth in Article 27 below (the "Excluded Provisions"). All express provisions of this Sublease shall govern in all circumstances unless use of the demised premises or any action or inaction taken in accordance with said provisions may be the basis of a default under the Underlying Lease, in which case the inconsistency shall be resolved in favor of the provisions of the Underlying Lease. A true copy of the Underlying Lease, with certain of the Excluded Provisions and other particular information deleted ("Deleted Provisions"), has been delivered to, and reviewed by, Sublessee.

3. Term.

(A) The term of this Sublease shall commence (the "Commencement Date") on the later to occur of (i) the date hereof or (ii) the date on which Underlying Landlord shall consent to this Sublease in writing pursuant to Article 19 below. The term of this Sublease shall terminate on March 30, 2004 (the "Expiration Date"), unless such term shall sooner cease or terminate pursuant to the terms of this Sublease. Sublessor and Sublessee agree to confirm the actual Commencement Date in writing by executing the letter of agreement and attached hereto as Exhibit "C"; provided, however, the failure to so confirm shall have no effect on the Commencement Date, or otherwise.

(B) Notwithstanding anything to the contrary contained herein, if for any reason the term of the Underlying Lease is terminated prior to the Expiration Date of this Sublease, this Sublease shall thereupon be terminated and Sublessor shall not be liable to Sublessee by reason thereof unless such termination is due to, or involves, a breach by Sublessor of its obligations under the Underlying Lease or this Sublease.

2

<page>

(C) Sublessor shall either perform all of Sublessor's Work described in Paragraph 13(B) below prior to January 31, 2002 or shall coordinate the performance of Sublessor's Work with Sublessee in accordance with good and reasonable construction scheduling procedures so as not to unreasonably delay the completion of Sublessor's Work and unreasonably disturb Sublessee, however, Sublessor shall not be required to perform Sublessor's Work on an overtime or premium pay basis. In the event Sublessor's Work is not complete by the Rent Commencement Date, the terms of this Sublease shall not be affected in any way, except that the fixed rent shall be abated until the completion of Sublessor's Work. Notwithstanding anything to the contrary contained herein, the fixed rent shall not be abated if (i) Sublessee is responsible for any delay in Sublessor completing Sublessor's Work and (ii) such delay is caused by any reason beyond the reasonable control of Sublessor.

4. Appurtenant Rights. Sublessee shall have as rights appurtenant to the Demised Premises, the right in common with others in the Building to use the common areas of the land and the Building as and to the extent Sublessor is permitted to use the same under the Underlying Lease.

5. Fixed Rent.

(A) Sublessee shall pay to Sublessor, during the term of this Sublease, the annual rental ("fixed rent") of: (i) Five Hundred Six Thousand Eight Hundred Fifty and 00/100 Dollars (\$506,850.00) per annum for the period commencing on January 15, 2002 (the "Rent Commencement Date") through December 31, 2002, payable in equal monthly installments of Forty-Two Thousand Two Hundred Thirty-Seven and 50/100 Dollars (\$42,237.50); (ii) Five Hundred Twenty-Two Thousand Fifty-Five and 50/100 Dollars (\$522,055.50) per annum for the period commencing on January 1, 2003 through December 31, 2003, payable in monthly installments of Forty-Three Thousand Five Hundred Four and 63/100 Dollars (\$43,504.63); and (iii) Five Hundred Thirty-Seven Thousand Seven Hundred Seventeen and 16/100 Dollars (\$537,717.16) for the period commencing on January 1, 2004 through the Expiration Date, payable in monthly installments of Forty-Four Thousand Eight Hundred Nine and 76/100 Dollars (\$44,809.76).

3

<page>

(B) Each monthly installment of fixed rent shall be paid by the twenty-fifth (25th) day of the month preceding the month in which such fixed rent is due under the Underlying Lease by check drawn on a bank reasonably acceptable to Sublessor with an office in New York at which the check can be presented for payment, except the first (1st) full monthly installment of fixed rent shall be paid upon the execution of this Sublease by Sublessee. The fixed rent for any month of the term of this Sublease which does not begin or end on the first or last day of a calendar month shall be prorated on a daily basis in accordance with the fixed rent due for the calendar month. Since the installment for the first (1st) full month's fixed rent is being paid by Sublessee upon the execution of this Sublease regardless of whether the term shall have commenced

on the first day of a calendar month, any adjustment to which Sublessee is entitled on account of the immediately preceding sentence shall be made to the next monthly installment of fixed rent due. All fixed rent, additional rent (as hereinafter defined) and other sums and charges due to Sublessor under this Sublease shall be paid by Sublessee at the office of Sublessor set forth above, or at such other place as Sublessor may designate, without any notice, setoff or deduction whatsoever. Sublessee's obligation to make such payments shall survive the Expiration Date or sooner termination of this Sublease.

(C) All other costs and expenses which Sublessee assumes or agrees to pay pursuant to this Sublease shall be deemed "additional rent" and, in the event of non-payment, Sublessor shall have all the rights and remedies herein provided for in case of non-payment of fixed rent. If Sublessee shall fail to pay any installment of fixed rent or additional rent within a period of five (5) days after the due date of the installment in question, Sublessee shall also pay to Sublessor interest from the due date until paid at the rate of three percent (3%) over the then "Prime Rate" as published in The Wall Street Journal or the New York Times for ninety (90) day unsecured loans to major corporate borrowers (unless such rate is usurious as applied to Tenant, in which case the highest rate permitted by law shall apply) (the "Prime Rate"). In the event the Prime Rate is no longer the reference rate for ninety (90) day unsecured loans to major corporate borrowers, the replacement or successor reference rate to the Prime Rate shall be used in determining the interest to be paid by Tenant pursuant to this Section. The payment of such interest shall be in addition to all other rights and remedies available to Sublessor in the case of non-payment of fixed rent.

4

<page>

(D) If Sublessor shall be charged with respect to the demised premises for any other sums or charges pursuant to the provisions of the Underlying Lease, including, without limitation, for overtime or other extra services requested by Sublessee, then Sublessee shall be liable for all such sums and charges as additional rent under this Sublease and such sums shall be due and payable by Sublessee to Sublessor on demand.

6. Electricity Charge.

(A) Subject to the provisions of Paragraph 6(B) below, the cost to Sublessee of electricity furnished to the demised premises shall be Forty-Nine Thousand Fifty and 00/100 Dollars (\$49,050.00) per annum, payable in monthly installments of Four Thousand Eighty-Seven and 50/100 Dollars (\$4,087.50) (the "Electricity Charge"); provided, however, if Sublessee requires additional electricity to be furnished to the demised premises, same may be furnished by Sublessor, if at all, in Sublessor's sole discretion and otherwise in accordance with, and with such other charges, costs and expenses as are provided under Section 8.6 of the Underlying Lease. Any sums due and payable to Sublessor under this Section 6(A) shall be deemed to be, and collectible as, additional rent, and Sublessee shall commence payment of such amount on the Commencement Date.

5

<page>

(B) Sublessee may, at its sole cost and expense, make application directly to Con Edison's Business Incentive Rate Program to certain eligible customers at the rates set forth in Service Classification Rider J to Service Classification Nos. 4 and 9, effective April 9, 1995 (and any amendments thereof) and the New York City Energy Cost Savings Program, as applicable, to provide Sublessee's supply of electric current to the demised premises, provided (i) Sublessee obtains Underlying Landlord's written consent and approval of such application, (ii) Sublessee reimburses Sublessor for any and all reasonable costs and expenses (including, without limitation, reasonable attorney's fees) in connection the such review of any such application as may be necessary and (iii) such programs do not decrease or affect the quality and supply of electric current to the Leased Premises. Sublessor agrees to reasonably cooperate with Sublessee, at Sublessee's sole cost and expense, in the processing of such application with the public utility and/or other providers, including providing Sublessee with any relevant and necessary information in its possession relating to its electrical usage in the Leased Premises, other than the demised premises. In the event Underlying Landlord agrees and passes along to Sublessor a reduction in Sublessor's electricity charges due under the Underlying Lease as a result of the application(s) described herein, then Sublessor agrees to credit (as a reduction in the Electricity Charge due hereunder) Sublessee with the full amount of such savings passed along to Sublessor by Underlying Landlord. The terms of this Paragraph 6(B), shall in no way be deemed a violation by Sublessor of Article 8 of the Underlying Lease.

(C) Sublessor shall not be liable in any way to Sublessee for any failure or defect in the supply or character of electric current furnished to the demised premises. Sublessee covenants and agrees that, at all times, its connected electrical load shall not cause a default under Article 8 of the Underlying Lease.

6

<page>

7. Additional Rent. Commencing on the Commencement Date, Sublessee shall pay to Sublessor, as additional rent, Sublessee's Proportionate Share of all amounts payable by Sublessor to Underlying Landlord pursuant to Article 5 of the Underlying Lease, which are applicable to the term of this Sublease. Notwithstanding the preceding sentence, Sublessor and Sublessee agree that Sublessee shall not be liable for Operating Expenses (as defined in Section 5.1(E) of the Underlying Lease) under Article 5 of the Underlying Lease. Notwithstanding anything to the contrary and for purposes of determining the amounts payable by Sublessee pursuant to this Article 7, the Base Tax Factor for Taxes shall be deemed to mean Taxes for the Tax Year commencing on July 1, 2001 and ending on June 30, 2002. Payment of amounts due hereunder shall be made in the manner and ten (10) days before each such date that Sublessor shall be required to pay its corresponding share of such additional rent pursuant to the Underlying Lease. Payments for the first and last years of the term of this Sublease shall be equitably prorated. For the purposes of this Sublease, the term "Sublessee's Proportionate Share" shall be deemed to mean 46.71%.

7

<page>

8. Occupancy Tax. Sublessee shall pay (i) directly to the City of New York all occupancy and rent taxes which may be payable to the City of New York in respect of the fixed rent reserved by this Sublease, if any, and (ii) all other taxes required to be paid under the Underlying Lease or otherwise required by law as a result of Sublessee's occupancy of the demised premises, the payment of which shall be imposed directly upon any occupant of the demised premises.

9. Intentionally omitted.

10. Use. Sublessee shall use the demised premises only for general office use consistent with the Class A nature of the Building and otherwise in accordance with the provisions of the Underlying Lease.

11. Compliance with Underlying Lease. Sublessee covenants and agrees to observe and perform all of the terms, covenants, conditions, provisions and agreements to be performed by Sublessor, as tenant pursuant to the Underlying Lease, except for any Excluded Provisions, and further covenants and agrees not to do or suffer or permit anything to be done which would result in a default under the Underlying Lease or cause the Underlying Lease to be terminated. All of the terms, covenants, conditions, provisions and agreements of the Underlying Lease, excepting any Excluded Provisions, are hereby incorporated herein with the same force and effect as if herein set forth in full and wherever (a) the term "Tenant" occurs in the Underlying Lease, the same shall be deemed to refer to Sublessee and (b) the term "Premises" occurs in the Underlying Lease, the same shall be deemed to refer to the Demised Premises or demised premises. Notwithstanding the foregoing, all grace periods specified in Article 25 of the Underlying Lease shall, for purposes of determining compliance by Sublessee with the provisions hereof, be each reduced by three (3) days with respect to any monetary default cure period, and by five (5) business days with respect to any non-monetary default cure period, therein provided. The obligations of Sublessee provided above in this Article 11 shall refer only to those obligations of Sublessor under the Underlying Lease that relate to the demised premises.

8

<page>

12. Non-Liability, Indemnity. Sublessee shall indemnify and hold harmless Sublessor, its subsidiaries and affiliates and each of their respective officers, directors, members, managers or partners, agents, contractors, servants, licensees, employees or invitees (each an "Indemnified Party") from and against any and all claims, losses, liabilities, damages, costs and expenses (including, without limitation, reasonable attorney's fees and disbursements) arising out of or related to (i) the use, conduct or maintenance of the demised premises or any business therein or any work or thing whatsoever done, or any condition created in or about the demised premises during the term of this Sublease by Sublessee, its agents, contractors, servants, licensees, employees or invitees (or any time prior to the Commencement Date that Sublessee may have been given access to the demised premises), (ii) any negligent or otherwise wrongful act or omission of Sublessee or any of its agents, contractors, servants, licensees, employees or invitees, (iii) any failure of Sublessee to perform or comply with all of the provisions of this Sublease hereof that are applicable to Sublessee, and (iv) any obligation Sublessor may have to indemnify Underlying Landlord under the Underlying Lease, to the extent related to the demised premises. In case any action or proceeding be brought against any Indemnified Party by reason of any of the foregoing, Sublessee, upon notice from such Indemnified Party, shall defend such action or proceeding by counsel chosen by Sublessee, who shall be reasonably satisfactory to such Indemnified Party. Sublessee or its counsel shall keep such Indemnified Party fully apprised at all times of the status of such defense and shall not settle same without the written consent of such Indemnified Party.

9

<page>

13. Performance by Underlying Landlord.

(A) Sublessor does not assume any obligation to perform the terms, covenants, conditions, provisions and agreements contained in the Underlying Lease on the part of Underlying Landlord to be performed or make any representation or warranty made by Underlying Landlord. In the event Underlying Landlord shall fail to perform any of the terms, covenants, conditions, provisions and agreements contained in the Underlying Lease on its part to be performed, Sublessor shall be under no obligation to perform such services or have any liability whatsoever to Sublessee in connection therewith.

(B) Sublessee shall not be allowed any abatement or diminution of fixed rent or additional rent under this Sublease because of Underlying Landlord's failure to perform any of its obligations under the Underlying Lease. Notwithstanding the foregoing, in the event that Sublessor receives an abatement or diminution of fixed rent or additional rent from Underlying Landlord that relates to the demised premises, Sublessee shall be entitled to its allocable share of such abatement or diminution less any reasonable expenses incurred by Sublessor in obtaining such abatement or diminution from Underlying Landlord.

14. Repairs, Cleaning. Sublessee shall be entitled to receive all of those services and repairs, if any, which Underlying Landlord may be obligated to provide and to make under the terms, covenants, conditions, provisions and agreements of the Underlying Lease and to the extent that Underlying Landlord is not required to provide any such services and repairs, Sublessee shall be responsible therefor, subject to and in accordance with the provisions of the Underlying Lease.

10

<page>

15. Alterations. Sublessee shall not make any changes, alterations, additions or improvements to the demised premises without first obtaining the written consent of Sublessor (which consent may not be unreasonably withheld or delayed) and Underlying Landlord (which may be given or withheld in accordance with the provisions of the Underlying Lease). Notwithstanding the foregoing, Sublessor's consent shall not be unreasonably withheld if the written consent of Underlying Landlord is first obtained. Simultaneously with the submission of documents to Underlying Landlord, Sublessee shall send copies of all such documents regarding alterations to Sublessor. Sublessee shall pay all costs and expenses relating to any changes, alterations, additions or improvements and shall cause same to be completed in accordance with the terms, covenants, conditions, provisions and agreements of the Underlying Lease. Sublessee hereby agrees to indemnify, defend and hold Sublessor harmless from and against any and all loss, cost, damage, expense or liability (including, but not limited to, reasonable attorneys' fees and disbursements) incurred by Sublessor as a result of Sublessee's failure to comply with the provisions of this Article 15.

16. Initial Occupancy.

(A) Sublessee represents that it has inspected the demised premises and agrees to take the same in its present "As Is" condition, and Sublessee acknowledges that no representations with respect to the condition thereof or otherwise, of any kind or nature, have been made. Any work required by Sublessee to prepare the demised premises for its occupancy shall be paid for by Sublessee and shall be subject to all of the terms, covenants, conditions, provisions and agreements set forth in the Underlying Lease.

11

<page>

(B) Notwithstanding the foregoing, Sublessor shall, at Sublessor's sole cost and expense, through contractor(s) engaged by Sublessor, install the demising walls as set forth on Sublessee's plan annexed hereto as Exhibit "A", and otherwise deliver the demised premises in "broom clean" condition (hereinafter called "Sublessor's Work").

(C) Sublessee shall pay to Sublessor the sum of \$36,000.00 as and for the purchase price for the cubicles and office furniture (the "FF&E") in the demised premises set forth in Exhibit "D" attached hereto, by certified or official bank made payable to Sublessor, simultaneously with the execution by Sublessee of this Sublease. Sublessor makes no representation or warranty as to the utility, fitness or condition of the FF&E, nor is Sublessor responsible for any expense whatsoever related to the use provided for under this Paragraph 16(C).

17. Assignment and Subsubletting.

(A) Sublessee shall not (a) assign this Sublease, or (b) permit this Sublease to be assigned by operation of law or otherwise, or (c) sublet all or any part of the demised premises, or (d) mortgage, pledge, hypothecate or otherwise encumber its interest in this Sublease, the term and estate hereby granted or the rentals hereunder, in whole or in part, or (e) grant any concession, license or otherwise permit the demised premises to be used or

occupied by any person(s) other than Sublessee (for the purposes of this Section 17(A)(e), the term "Sublessee" includes, the directors, officers and employees of Sublessee, or its subsidiaries, affiliates or correspondents (i.e., broker/dealers having a clearing relationship with Sublessee), in their capacities as such), or (f) permit the demised premises or any desk space therein to be used or occupied by any person(s) other than Sublessee, without the prior written consent of Sublessor (which consent may not be unreasonably withheld or delayed) and Underlying Landlord (which may be given or withheld in accordance with Article 19 of the Underlying Lease).

12

<page>

(B) If this Sublease is assigned, or if the demised premises or any part thereof is subsublet or occupied by one other than Sublessee, whether or not Sublessee shall have been granted any required consent, Sublessor may, after default by Sublessee, collect rent and other charges from such assignee, subsubtenant or other occupant, and apply the net amount collected to fixed rent and other charges herein reserved, but no such assignment, subsubletting, occupancy or collection shall be deemed to be a waiver of the requirements of this Article 17 or an acceptance of the assignee, subsubtenant or other occupant as the sublessee under this Sublease. The consent by Sublessor to an assignment or subsubletting shall not in any way be construed to relieve Sublessee from obtaining the consent of Underlying Landlord and Sublessor to any further assignment or subsubletting. No assignment or subsubletting shall, in any way, release, relieve or modify the liability of Sublessee under this Sublease and Sublessee shall be and remain liable under all of the terms, covenants, conditions, provisions and agreements hereof.

18. Insurance.

(A) During the term of this Sublease, Sublessee, at its sole cost and expense, shall provide and maintain commercial general public liability and all-risk property damage insurance in conformity with the provisions of Article 16 of the Underlying Lease. Sublessee shall cause Sublessor and Underlying Landlord (and any other parties if required pursuant to the provisions of the Underlying Lease) to be included as additional insureds in said policy or policies which shall contain provisions, if and to the extent available, that it or they will not be cancelable except upon at least thirty (30) days prior written notice to all insureds and that the act or omission of one insured will not invalidate the policy as to the other insureds. Sublessee shall furnish to Sublessor reasonably satisfactory evidence that such insurance is in effect at or before the Commencement Date and, on request, at reasonable intervals thereafter.

13

<page>

(B) Nothing contained in this Sublease shall relieve Sublessee from liability that may exist as a result of damage from fire or other casualty, but each party shall look first to any insurance in its favor before making any claim against the other party for recovery for loss or damage resulting from fire or other casualty. To the extent permitted by law, Sublessor and Sublessee each hereby releases and waives all right of recovery against the other or anyone claiming through or under the other by way of subrogation or otherwise. The foregoing release and waiver shall be in force only if the insurance policies of Sublessor and Sublessee provide that such release or waiver does not invalidate the insurance. Each party agrees to use its best efforts to include in its applicable insurance policies such a provision. If the inclusion of said provision would involve an additional expense, either party, at its expense, may require such provision to be inserted in the other's policy.

(C) Sublessee hereby releases Underlying Landlord or anyone claiming through or under Underlying Landlord by way of subrogation or otherwise to the extent that Sublessor released Underlying Landlord or Underlying Landlord was relieved of liability or responsibility pursuant to the provisions of the Underlying Lease, and Sublessee will cause its insurance carriers to include any clauses or endorsements in favor of Underlying Landlord which Sublessor is required to provide pursuant to the provisions of the Underlying Lease.

19. Default. In the event Sublessee defaults in the performance of any of the terms, covenants, conditions, provisions and agreements of this Sublease or of the Underlying Lease, Sublessor shall be entitled to exercise any and all of the rights and remedies to which it is entitled by law and also any and all of the rights and remedies specifically provided for in the Underlying Lease, which are hereby incorporated herein and made a part hereof with the same force and effect as if herein specifically set forth in full, and that wherever in the Underlying Lease rights and remedies are given to Underlying Landlord, the same shall be deemed to refer to Sublessor.

14

<page>

20. Destruction by Fire or Other Casualty, Condemnation.

(A) If the demised premises or the Building shall be partially or totally damaged or destroyed by fire or other casualty, Sublessee shall have no right to terminate this Sublease and this Sublease shall not be terminated by reason of such casualty unless the Underlying Lease is terminated by Sublessor or Underlying Landlord pursuant to the provisions of Article 23 of the Underlying Lease. In the event Underlying Landlord agrees, pursuant to Sublessee request, to permit Sublessor to terminate its obligations for the demised premises separately from the Leased Premises in connection with the provisions of Article 23 of the Underlying Lease, then upon Sublessee's reasonable written request, Sublessor agrees to give any notice to Underlying Landlord as Sublessee shall reasonably request in connection with the provisions of Section 23.4 of the Underlying Lease.

(B) If the demised premises are partially or totally damaged by fire or other casualty as a consequence of which Sublessor shall receive an abatement of rent relating to the demised premises, then in such event, there shall be a corresponding abatement of the fixed rent payable hereunder.

(C) Sublessee shall give Sublessor and Underlying Landlord notice of any fire, casualty or accident in or about the demised premises promptly after Sublessee becomes aware of such event.

15

<page>

(D) If the Underlying Lease is terminated pursuant to the provisions of Article 23 thereof as the result of a taking of all or any portion of the Building by condemnation (or deed in lieu thereof), this Sublease shall likewise terminate.

(E) Sublessee waives the provisions of Section 227 of the New York Real Property Law, which is superseded by the provisions of this Article 20.

21. Attornment. If the Underlying Lease and Sublessor's leasehold interest in the demised premises shall be terminated, other than as a result of a casualty or condemnation or sale in lieu thereof, Sublessee shall, if so requested in writing by Underlying Landlord, attorn to Underlying Landlord and shall, during the term of this Sublease, perform all of the terms, covenants, conditions, provisions and agreements of this Sublease on the part of Sublessee to be performed. In the event of any such attornment, Underlying Landlord shall not be (i) liable for any act or omission or default of any prior sublessor (including, without limitation, Sublessor); (ii) subject to any offsets or defenses which Sublessee might have against any prior sublessor (including, without limitation, Sublessor); (iii) bound by any fixed rent or additional rent which Sublessee might have paid for more than the current month to any prior sublessor (including, without limitation, Sublessor); or (iv) bound by any amendment or modification of this Sublease made without Underlying Landlord's written consent. The foregoing shall be self-operative without the necessity of the execution of any further instruments, but Sublessee agrees, upon the demand of Underlying Landlord, to execute, acknowledge and deliver any instrument or instruments confirming such attornment.

16

<page>

22. Sublease Consent. This Sublease shall become effective only if the written consent hereto of Underlying Landlord is obtained. If such written consent is not obtained, then this Sublease shall be null and void and of no force or effect and Sublessor shall return to Sublessee the first (1st) month's rent and the security deposit and thereupon neither party shall have any further obligation to the other. Sublessor shall promptly request the consent of Underlying Landlord to this Sublease. Sublessee agrees to provide such information in connection with such request as Underlying Landlord shall reasonably request. If the foregoing consent is not obtained within sixty (60) days following the execution and delivery of this Sublease by both parties, then either Sublessor or Sublessee may, within ten (10) days following the expiration of said sixty (60) day period, cancel this Sublease by giving written notice to the other party of its election to cancel. If either Sublessor or Sublessee do not give notice to cancel within said ten (10) day period, Sublessor or Sublessee shall only have the right to cancel this Sublease pursuant to this Article 22, thereafter only up until the time Underlying Landlord's consent may ultimately be given. Upon Sublessor's receipt of a valid notice of cancellation, this Sublease shall be null and void and Sublessor shall return to Sublessee the first (1st) month's rent and thereupon neither party shall have any further obligation to the other. In the event that Underlying Landlord shall notify Sublessor that it will not consent to this Sublease, then Sublessor will promptly notify Sublessee of such fact, return to Sublessee the first (1st) month's rent and security deposit, and thereupon this Sublease shall be null and void.

23. Notice. Any notice to be given under this Sublease shall be in writing and shall be delivered by hand or sent by certified mail, return receipt requested, or by nationally-recognized overnight courier, addressed to (i) Sublessor at its (a) address herein stated, Attention: Chief Executive Officer, with a copy to (b) Arent Fox Kintner Plotkin & Kahn, PLLC, 1675 Broadway, 25th Floor, New York,

<page>

address herein stated on page 1, Attention: Mr. Robert Neuhoff. No notice shall be effective unless given to all of the parties listed hereinabove. Each party shall have the right to designate, by notice in writing, any other address to which such party's notice is to be sent. Any notice to be given by either party may be given by the attorneys for such party. Any notice sent as aforesaid shall be deemed given upon the date of first attempted delivery.

24. Quiet Enjoyment. Sublessor covenants that Sublessee, on paying the fixed rent and additional rent and performing all the terms, covenants, conditions, provisions and agreements aforesaid, shall and may peacefully and quietly have, hold and enjoy the demised premises for the term aforesaid, free from any interference or hindrance by Sublessor, but subject to the exceptions, reservations and conditions hereof.

25. Surrender of Demised Premises. On the date upon which the term hereof shall expire and come to an end, whether on the Expiration Date, by lapse of time or otherwise, Sublessee, at Sublessee's sole cost and expense, shall quit and surrender the demised premises to Sublessor in the same order and condition as Sublessor is required to surrender the demised premises under Article 27 of the Underlying Lease.

26. Broker(s). Sublessee represents to Sublessor that Newmark & Company Real Estate, Inc. (the "Broker") is the only broker with whom Sublessee dealt in relation to this transaction and that Sublessee has had no dealings, either direct or indirect, with any other real estate agent or broker in connection with this transaction. Sublessee shall be under no obligation to pay any fees payable to the Broker in connection with this Sublease. Sublessee agrees to indemnify, defend and hold Sublessor harmless from any loss, liability and expense incurred by Sublessor as a result of any claim made against Sublessor which is based upon a breach of said representation by Sublessee. Sublessee's indemnification obligation pursuant to this Sublease (including, without limitation, Articles 8, 9, 11 and 22 herein) shall survive the Expiration Date or sooner termination of this Sublease.

<page>

27. Excluded Provisions. The following provisions of the Underlying Lease are deemed to be Excluded Provisions: the Fundamental Lease Provisions, Articles 3 and 4, Sections 2.1, 2.3, 5.1(A), (B), (D) and (E), 5.3(a), 5.3(b) (with respect to Tenant's Operating Payment only), 5.3(c), 5.6, 5.7 (with respect to Tenant's Operating Payment and Tenant's right to audit Landlord's books only), 5.8 (with respect to Tenant's Operating Payment only), 5.9, 5.12, 34.5 and 40.10, Articles 6, 7, 12, 14, 19, 28, 30, 31, 39 and 42 and Exhibits B and G, and all references in the Underlying Lease to the aforesaid Articles, Sections or Exhibits of the Underlying Lease shall not be deemed incorporated in or made a part hereof.

28. Security Deposit.

(A) Sublessee shall deliver to Sublessor, and shall maintain in effect at all times during the term of this Sublease following delivery thereof, a clean, unconditional and irrevocable letter of credit, in substantially the form annexed hereto as Exhibit "B", in the amount of Eighty-Nine Thousand Six Hundred Nineteen and 53/100 Dollars (\$89,619.53) issued by a banking corporation ("Bank") reasonably satisfactory to Sublessor and having its principal place of business or its duly licensed branch in the City of New York at which the letter of credit may be presented for payment. Such letter of credit shall serve as security for the faithful performance and observance by Sublessee of the terms, covenants, conditions, provisions and agreements of this Sublease. It is agreed that in the event Sublessee defaults in respect of any of the terms, covenants, conditions, provisions and agreements of this Sublease, including, but not limited to, the payment of fixed rent and additional rent, Sublessor may use, apply or retain the whole or any part of the security so deposited to the extent required for the payment of any fixed rent and additional rent or any other sum as to which Sublessee is in default or for any sum which Sublessor may expend or may be required to expend by reason of Sublessee's default in respect of any of the terms, covenants, conditions, provisions and agreements of this Sublease, including, but not limited to, any damages or deficiency in the reletting of the demised premises, whether such damages or deficiency accrued before or after summary proceedings or other re-entry by Sublessor. If Sublessor so applies or retains any part of the security, Sublessee shall, upon demand, promptly restore the amount so applied or retained so that Sublessor shall have the full amount of the letter of credit as provided herein on hand at all times during the term

<page>

of this Sublease. In the event that Sublessee shall fully and faithfully comply with all of the terms, covenants, conditions, provisions and agreements of this Sublease, the letter of credit, or any remaining portion of any sum collected by

Sublessor hereunder from the Bank, shall be returned to Sublessee forty-five (45) days after the later of: (i) the Expiration Date or (ii) delivery of entire possession of the demised premises to Sublessor in the condition required by the Underlying Lease. In the event of an assignment by Sublessor of its interest under the Underlying Lease, Sublessor shall have the right to transfer the security and Sublessee agrees to look to the new sublessor solely for the return of said security and it is agreed that the provisions hereof shall apply to every transfer or assignment made of the security to a new sublessor. Sublessee further covenants that it shall not assign or encumber or attempt to assign or encumber the monies deposited herein as security and that neither Sublessor nor its successors or assigns shall be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance.

(B) Such letter of credit shall have an expiration date no earlier than the first anniversary of the date of issuance thereof and shall provide that it shall be automatically renewed from year to year unless terminated by the Bank by notice to Sublessor given not less than ninety (90) days prior to the then expiration date therefor. It is agreed that in the event Sublessee defaults in respect of any of the terms, covenants, conditions, provisions or agreements of this Sublease, including, but not limited to, the payment of fixed rent and additional rent, or if the letter of credit is terminated pursuant to the preceding sentence and is not replaced within forty-five (45) days prior to its expiration date that (i) Sublessor shall have the right to require the Bank to make payment to Sublessor of so much of the entire proceeds of the letter of credit as shall be reasonably necessary to cure the default, and (ii) Sublessor may apply said sum so paid to it by the Bank to the extent required for the payment of any fixed rent or additional rent or any other sum as to which Sublessee is in default or for any sum which Sublessor may expend or may be

20

<page>

required to expend by reason of Sublessee's default in respect of any of the terms, covenants, conditions, provisions and agreements of this Sublease, including, but not limited to, any damages or deficiency in the reletting of the demised premises, whether such damages or deficiency accrues before or after summary proceedings or other re-entry by Sublessor, without thereby waiving any other rights or remedies of Sublessor with respect to such default. To insure that Sublessor may utilize the security represented by the letter of credit in the manner, for the purpose, and to the extent provided in this Article 28, each letter of credit shall provide that the full amount thereof may be drawn down by Sublessor upon the presentation to the issuing bank of Sublessor's draft drawn on the issuing bank. Sublessee shall have the right to substitute one letter of credit for another, provided that, at all times, the letter of credit shall meet the requirements of this subparagraph 24(B). If Sublessee shall fail to obtain any replacement of a letter of credit within the time limits set forth in this Article 28, Sublessor may draw down the full amount of the letter of credit and retain the same as security hereunder.

29. Intentionally omitted.

21

<page>

30. Inability to Perform, Delays. If Sublessee shall be delayed in obtaining initial possession of the demised premises because of any reason beyond the reasonable control of Sublessor, Sublessor shall not be subject to any liability, the effectiveness of this Sublease shall not be affected and the term hereof shall not be extended, but the fixed rent shall be abated (provided Sublessee is not responsible for any such delay in obtaining possession) until possession shall have been made available to Sublessee. Notwithstanding the foregoing, if delivery of initial possession of the demised premises does not occur on or before February 28, 2002, Sublessee shall have the option to terminate this Sublease upon written notice ("Termination Notice") to Sublessor by March 15, 2002. In the event such Termination Notice is timely given, Sublessee shall immediately return the FF&E (in the condition delivered to Sublessee) to Sublessor. Upon receipt of the Termination Notice and the FF&E as provided herein, Sublessor shall refund within three (3) business days all payments made to Sublessor hereunder to Sublessee.

31. No Waivers. Failure by either party in any instance to insist upon the strict performance of any one or more of the obligations of the other party under this Sublease, or to exercise any election herein contained or acceptance of payment of any kind with knowledge of a default by the other party, shall in no manner be or be deemed to be a waiver by such party of any defaults or breaches hereunder or of any of its rights and remedies by reason of such defaults or breaches, or a waiver or relinquishment for the future of the requirement of strict performance of any and all of the defaulting party's obligations hereunder. Further, no payment by Sublessee or receipt by Sublessor of a lesser amount than the correct amount of fixed rent and/or additional rent due hereunder shall be deemed to be other than a payment on account, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed to effect or evidence an accord and satisfaction, and Sublessor may accept any checks or payments as made without prejudice to Sublessor's right to recover the balance or pursue any other remedy in this

Sublease or otherwise provided at law or in equity.

22

<page>

32. Intentionally omitted.

33. Entire Agreement, Miscellaneous.

(A) This Sublease shall be governed by and construed in accordance with the laws of the State of New York without regard to the conflicts of law principles thereof.

(B) The paragraph headings in this Sublease are inserted only as a matter of convenience for reference and are not to be given any effect in construing this Sublease.

(C) If any of the provisions of this Sublease or the application thereof to any person or circumstance shall be, to any extent, held to be invalid or unenforceable, the remainder of this Sublease shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

(D) All of the terms and provisions of this Sublease shall be binding upon and, except as prohibited by Article 13 hereof, inure to the benefit of the parties hereto and their respective permitted successors and assigns.

(E) All prior negotiations and agreements relating to this Sublease and the demised premises are merged into this Sublease. This Sublease may not be amended, modified or terminated, in whole or in part, nor may any of the provisions be waived, except by a written instrument executed by the party against whom enforcement of such amendment, modification, termination or waiver is sought and unless the same is permitted under the provisions of the Underlying Lease.

23

<page>

(F) Each person executing this Sublease hereby represents and warrants that he or she is a duly authorized representative of Sublessor or Sublessee, as the case may be, and has full authority to execute and deliver this Sublease.

(G) This Sublease shall have no binding force and effect and shall not confer any rights or impose any obligations upon either party unless and until both parties have executed it and Sublessor shall have obtained Underlying Landlord's written consent to this Sublease pursuant to the provisions hereof and delivered to Sublessee an executed copy of such consent. Under no circumstances shall the submission of this Sublease in draft form by or to either party be deemed to constitute an offer for the subleasing of the demised premises.

(H) This Sublease may be executed in several counterparts each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

(I) This Sublease and all the obligations of Sublessee to pay fixed rent and additional rent and perform all of its other covenants and agreements hereunder shall in no way be affected, impaired, delayed or excused because Sublessor or Underlying Landlord are unable to fulfill any of their respective obligations hereunder, either explicit or implicit, if Sublessor or Underlying Landlord is prevented or delayed from so doing by reason of strikes or labor trouble or by accident, adjustment of insurance or by any cause whatsoever reasonably beyond Sublessor's or Underlying Landlord's control.

(J) Each and every right and remedy of Sublessor under this Sublease shall be cumulative and in addition to every other right and remedy herein contained or now or hereafter existing at law or in equity, by statute or otherwise.

24

<page>

(K) At any time and from time to time Sublessee shall, within ten (10) days after written request by Sublessor, execute, acknowledge and deliver to Sublessor a written statement certifying (i) that this Sublease has not been modified and is in full force and effect or, if modified, that this Sublease is in full force and effect as modified, and specifying such modification(s), (ii) the dates to which the fixed rent and additional rent and other charges have been paid, (iii) that, to the best of Sublessee's knowledge, no defaults exist under this Sublease or, if any do exist, the nature of such default(s) and (iv) as to such other matters as Sublessor may reasonably request.

34. Signage and Directory.

(A) Sublessee may, at Sublessee's sole cost and expense, install one

(1) first-class office signage as approved by Sublessor (which approval shall not be unreasonably withheld or delayed) and Underlying Landlord in a location in the lobby of the demised premises as designated by Sublessor and/or Underlying Landlord in accordance with Sublessor's uniform signage program for the floor and Underlying Landlord's signage requirements for the Building. Sublessee shall not install any additional signage in any part of the lobby or common corridor or in the entrance to the demised premises or in any portion of the demised premises visible from the exterior of the demised premises, without, in any such case, Sublessor's and Underlying Landlord's prior written consent, which consent may be granted or withheld in each of Sublandlord's and Underlying Landlord's sole and absolute discretion. In the event that Sublessee shall install any additional signage without first obtaining Sublessor's and Underlying Landlord's consent as provided in this Paragraph 30, Sublessor may, in addition to any other remedies Sublessor shall have, immediately remove such signage at Sublessee's cost and expense and without liability to Sublessee therefor.

(B) Subject to the provisions of this Sublease and Section 15.1 of the Underlying Lease, Sublessor agrees to request that Underlying Landlord add Sublessee's name on the Building lobby directory or provide Sublessee with Sublessee's Proportionate Share of Sublessors's existing directory lines.

25

<page>

35. Telephone Room Access. Sublessee or its agents or designees shall have the right to enter the room in the Leased Premises designated to house the telephone hardware and peripherals (the "Telephone Room") for the installation, maintenance and/or repair of Sublessee's telephone equipment (the "Telephone Room Work") located in the Telephone Room as marked on Exhibit "A" attached hereto; provided, however, Sublessee's use of the Telephone Room will not or does not cause Sublessor or Sublessor's communications equipment located in the Telephone Room any harm, problems or any added cost or expense, or otherwise interfere with Sublessor's use and enjoyment of the Telephone Room. In addition to any other remedy available to Sublessor under this Sublease, Sublessee hereby agrees (i) to pay, hold harmless and indemnify Sublessor from and against any and all cost, expense (including reasonable attorneys' fees) or liability for any claims for compensation, which may arise in connection with Sublessee's Telephone Room Work and (ii) to be solely responsible for any expenses incurred in Sublessor's hiring technicians or other independent contractors to fix or replace any damaged communications equipment in the event such damage is caused by Sublessee's use of or access to the Telephone Room and/or the Telephone Room Work. Sublessee covenants and agrees (a) that its access to the Telephone Room and the Telephone Room Work will be performed at reasonable times on business days during business hours; provided, however, that upon Sublessee's reasonable determination that access to the Telephone Room and/or Telephone Room Work is necessary during non-business hours to prevent disruption of its business, then Sublessee shall have access to the Telephone Room and the Telephone Room Work shall be performed during such time; and (b) that any Telephone Room Work shall be performed with diligence and in a manner designed to minimize interference with Sublessor's business, Sublessor's use of the Telephone Room and Sublessor's premises, provided that in the event of such interference, then Sublessee agrees to be responsible for all of Sublessor's damages at law or in equity caused by such interference. Sublessor shall have the option, at its sole cost and expense, to have a representative of Sublessor present when Sublessee is in the Telephone Room; provided, however, that Sublessee's access to the Telephone Room or performance of the Telephone Room Work is not contingent upon such representative being present.

26

<page>

36. Computer Room Access. Sublessee or its agents or designees shall have the right to enter and use approximately one-quarter (1/4) of the room in the Leased Premises designated to house computer hardware and peripherals (the "Computer Room"), which is approximately ten (10) feet from the left wall of the Computer Room, for the installation, maintenance and/or repair of Sublessee's computer equipment (the "Computer Room Work") located in the Computer Room as marked unhatched on Exhibit "A" attached hereto, provided (a) Sublessee's use of the Computer Room will not or does not cause Sublessor or Sublessor's computer equipment located in the Computer Room any harm, problems or any added cost or expense, or otherwise interfere with Sublessor's use and enjoyment of the Computer Room and (b) Sublessee shall, at its sole cost and expense, install metal cages with individual locks, as reasonably approved by Sublessor, to separate its portion of the Computer Room from Sublessor's portion of the Computer Room, provided further that the location of such cages shall be designated by Sublessor in its sole discretion. In addition to any other remedy available to Sublessor under this Sublease, Sublessee hereby agrees (i) to pay, hold harmless and indemnify Sublessor from and against any and all cost, expense (including reasonable attorneys' fees) or liability for any claims for compensation, which may arise in connection with Sublessee's Computer Room Work and (ii) to be solely responsible for any expenses incurred in Sublessor's hiring technicians or other independent contractors to fix or replace any damaged computer equipment in the event such damage is caused by Sublessee's use of or access to the Computer Room and/or the Computer Room Work. Sublessee covenants and agrees (1) that its access to the Computer Room and the Computer

Room Work will be performed at reasonable times on business days during business hours; provided, however, that upon Sublessee's reasonable determination that access to the Computer Room and/or Computer Room Work is necessary during

27

<page>

non-business hours to prevent disruption of its business, then Sublessee shall have access to the Computer Room and the Computer Room Work shall be performed during such time and (2) that any Computer Room Work shall be performed with diligence and in a manner designed to minimize interference with Sublessor's business, Sublessor's use of the Computer Room and Sublessor's premises, provided that in the event of such interference, then Sublessee agrees to be responsible for all of Sublessor's damages at law or in equity caused by such interference. Sublessor shall have the option, at its sole cost and expense, to have a representative of Sublessor present when Sublessee is in the Computer Room; provided, however, that Sublessee's access to the Computer Room or performance of Computer Room Work is not contingent upon such representative being present.

* * * * *

[The remainder of this page is left intentionally blank;
the signature page follows.]

28

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

SUBLESSOR:

INDIVIDUAL INVESTOR GROUP, INC.

By: /s/ Jonathan Steinberg
Name: Jonathan Steinberg
Title: CEO

SUBLESSEE:

FAHNESTOCK & CO. INC.

13-5657518
Federal Identification Number

By: /s/ Albert Lowenthal
Name:
Title:

EXHIBIT A

FLOOR PLAN

(Attached)

A-1

EXHIBIT B

LETTER OF CREDIT FORM

[Bank Letterhead]

- - - - -

Re: Irrevocable Clean Standby Letter of Credit

Gentlemen:

By order of our client, ("_____"), we hereby open our clean irrevocable Standby Letter of Credit No. _____ in your favor for an amount not to exceed in the aggregate \$ _____ US Dollars effective immediately.

Funds under this credit are available to you against your sight draft drawn on us mentioning thereon our Credit No. ____.

This Letter of Credit shall expire twelve (12) months from the date hereof; provided, however, that it is a condition of this Letter of Credit that it shall be deemed automatically extended, from time to time, without amendment, for one (1) year from the expiration date hereof and from each and every future expiry date, unless at least ninety (90) days prior to any expiry date we shall notify you by certified mail that we elect not to consider this Letter of Credit renewed for any such additional period, in which event unless a substitute Letter of Credit in conformity with the provisions hereof is delivered to you within forty-five (45) days following your receipt of our notice of nonrenewal you may, at any time thereafter, upon presentation of a sight draft accompanied by a certificate purportedly signed by an officer of your company stating "a replacement letter of credit has not been delivered" draw on the entire amount of this Letter of Credit.

This Letter of Credit is transferable and may be transferred one or more times. However, no transfer shall be effective unless advice of such transfer is received by us in the form signed by you and reasonably acceptable to us.

B-1

<page>

We hereby agree with you that all drafts drawn or negotiated in compliance with the terms of this Letter of Credit will be duly and promptly honored upon presentment and delivery of your draft to our office at accompanied by a certificate purportedly signed by an officer of your company confirming that you are entitled to draw the amount represented by the sight draft pursuant to the Sublease between you and if negotiated on or prior to the expiry date as the same may from time to time be extended.

Partial draws are permitted under this Letter of Credit.

Except as otherwise specified herein, this Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1994) Revision, International Chamber of Commerce Publication No. 500.

Very truly yours,

(Name of Bank)

By: _____

B-2

<page>

EXHIBIT C

COMMENCEMENT DATE LETTER

INDIVIDUAL INVESTOR GROUP, INC.
125 Broad Street, 14th Floor
New York, New York

_____, 2001

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Fahnestock & Co. Inc.

125 Broad Street, 14th Floor
New York, New York
Attention: Mr. Robert Neuhoff

Re: Sublease dated _____, 2001, (the "Sublease"), by and
between Individual Investor Group, Sublessor, and Fahnestock &
Co. Inc., Sublessee

Dear Mr. Neuhoff:

This letter of agreement is intended to memorialize certain understandings
between Sublessor and Sublessee as set forth below, and your countersignature at
the end of this letter indicates your agreement on behalf of Sublessee to the
terms and conditions set forth herein. All capitalized terms used herein shall
have the meanings ascribed to them in the Sublease unless otherwise specifically
set forth herein to the contrary.

1. Sublessor and Sublessee hereby acknowledge that Commencement Date under the
Sublease shall be deemed to be _____, 2001.
2. This letter of agreement may be executed any number of counterparts, all of
which together shall constitute one agreement binding on all parties hereto
notwithstanding that all the parties have not signed the same counterpart.
All counterparts shall be construed together and shall constitute one
instrument.
3. Except as expressly set forth in this letter of agreement, the terms and
conditions of the Sublease shall continue in full force and effect without
any change or modification and shall apply for the balance of the term of
the Sublease.

C-1

<page>

Kindly sign this letter of agreement to indicate your acceptance and
acknowledgment of the terms of this Agreement.

Thank you.

Sincerely,

INDIVIDUAL INVESTOR GROUP, INC.

By: _____

Name:
Title:

ACKNOWLEDGED AND AGREED
THIS ____ DAY OF _____, 2001:

FAHNESTOCK & CO. INC.

By: _____

Name:
Title:

cc: Bradley A. Kaufman, Esq. (via facsimile - 212/484-3990)

C-2

<page>

EXHIBIT D

FF&E

Open Area

47 Cubes
47 Chairs
26 File Cabinets

Pantry

1 Refrigerator
3 Tables
12 Chairs
1 Dresser

Reception

1 Reception Desk
1 Chair
1 Leather Couch
1 Leather Chair
1 Table
1 End Table
1 Table/File Cabinet

Conference Rooms

2 Conference Tables
20 Chairs
5 Small Bookshelves
2 Large Bookshelves

ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT, dated as of October 22, 2001 (the "Effective Date") by and between INDIVIDUAL INVESTOR GROUP, INC., a Delaware corporation with executive offices at 125 Broad Street, New York, New York 10004 ("Seller") and TELESKAN, INC., a Delaware corporation with executive offices at 5959 Corporate Drive, Suite 2000, Houston, Texas 77036 ("Purchaser"),

W I T N E S S E T H :

WHEREAS, Seller wishes to sell to Purchaser, and Purchaser wishes to purchase, certain assets specified herein, on and subject to the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Purchase and Sale of Assets; Agreement Not to Compete.

1.1 Transferred Assets. Upon the terms hereof, Purchaser hereby agrees to purchase from Seller, and Seller hereby agrees to sell to Purchaser, all of Seller's right, title and interest in and to the assets specified on Schedule 1.1 hereto (the "Transferred Assets") at the Closing specified in Section 2.5.

1.2 Excluded Assets. No assets other than the Transferred Assets are being sold pursuant to this Agreement. Without limiting the foregoing and notwithstanding anything to the contrary herein, the Transferred Assets to be sold, conveyed, assigned, transferred and delivered hereunder shall not include: (a) any cash, cash equivalents, accounts receivable or investments owned by Seller; (b) any property related to Individual Investor's Special Situations Report newsletter ("SSR"), www.shortinterest.com ("ShortInterest"), the America's Fastest Growing Companies family of stock indexes; or (c) Seller's rights to receive payment from Interep Interactive, Inc. ("Interep"), Winstar Interactive Media Sales, Inc. ("WIMS") and their affiliates related to the Asset Purchase Agreement dated as of June 25, 2001 between Interep, WIMS and Winstar New Media Company, Inc. Seller's accounts receivable include without limitation the pro rata portion earned up to and including the date of the Closing (as defined below) with respect to any Partially Served Insertion Orders (as defined below). "Partially Served Insertion Orders" shall mean any insertion orders for online or email advertising with respect to which, as of the date of the Closing, Seller has served a portion but not all of the contracted advertising. Without limiting the foregoing, Seller also shall retain all rights to accounts receivable accrued after the date of the Closing related to ShortInterest, SSR and Seller's stock index licensing operations. The parties acknowledge and agree that (i) any advertiser who placed with Seller an insertion order for online or email advertising that, as of the date of the Closing, remains wholly or partially unserved by Seller ("Open Orders"), may deem the execution of this Agreement to be an impermissible assignment by Seller of Seller's rights under such Open Order and (ii) neither party shall have any liability to the other on account of the cancellation of any Open Order.

<page>

1.3 Non-Assigned Contracts. Seller shall not assign to Purchaser and Purchaser shall not assume any liability with respect to any agreements to which Seller is a party that relate to www.individualinvestor.com ("Non-Assigned Contracts"). Seller represents that Purchaser shall not be liable to any third party with respect to any Non-Assigned Contract. Notwithstanding the foregoing, Seller and Purchaser shall use reasonable efforts to obtain the consent of Interep for the assignment to Purchaser of Seller's rights and obligations from and after the date of the Closing pursuant to the Advertising Sales Representative Agreement dated as of April 1, 2000 between Seller and WIMS ("WIMS Sales Representative Agreement").

1.4 Agreement Not to Compete. Seller agrees that for a period five (5) years from the Closing, Seller shall not own or operate a web site devoted to investing content (an "Investing Site"). Notwithstanding the foregoing, neither ShortInterest nor www.afgc.com shall be deemed an "Investing Site."

2. Consideration.

2.1 Shares. As consideration for the sale, conveyance, assignment and transfer of the Transferred Assets, contemplated by Section 1, Purchaser shall convey, assign, transfer and deliver to Seller, free of any liens or encumbrances, one million sixty-three thousand five hundred and thirty-one (1,063,531) shares of common stock of Seller (the "Shares"). Purchaser represents that as of the Closing, the Shares constitute all of the shares of

common stock of Seller in which Purchaser or INVESTools, Inc. ("INVESTools") has an interest. Purchaser represents that immediately after Purchaser's delivery of the Shares, neither Purchaser nor INVESTools shall have an interest in any shares of common stock of Seller.

2.2 Amendment of Service Agreement. The letter agreement (the "Service Agreement") dated as of September 29, 1999 between Seller and Purchaser is hereby amended to (a) provide that Purchaser's total monthly fee for hosting pages of ShortInterest as requested by Seller shall be four thousand dollars \$4,000 per month (without limiting the foregoing, there shall be no additional amounts owing with respect to revenue sharing); and (b) provide that Seller may assign its rights and obligations under the Service Agreement with respect to ShortInterest with the consent of Purchaser, which consent Purchaser shall not unreasonably withhold or delay. Notwithstanding the foregoing, the amendment of Purchaser's fee set forth in clause (a) of this Section 2.2 shall not become effective until the three (3) month anniversary of the Closing (or, if earlier, upon such date as Seller assigns its rights and obligations under the Service Agreement with respect to ShortInterest). The parties acknowledge that Seller has paid the Aggregate License Fee (as defined in the Service Agreement).

2.3 Share Escrow and Web Site Maintenance. (a) Seller will maintain the web site located at URL www.individualinvestor.com until 5:00 p.m., Eastern time, on November 30, 2001 (the "Maintenance Period"). On the date of the Closing (defined below), Seller will deliver to Graubard Miller, as escrow agent ("Escrow Agent"), at Escrow Agent's offices at 600 Third Avenue, New York, New York 10016, as Escrow Agent, one of more stock certificates that shall in the aggregate represent all of the Shares, duly endorsed for transfer to Seller with such endorsement Medallion guaranteed and accompanied by appropriate standard corporate resolutions authorizing conveyance of the Shares to Seller. Escrow Agent will hold the Shares in escrow during the Maintenance Period. Provided Seller maintains the [individualinvestor.com](http://www.individualinvestor.com) web site for the full Maintenance Period, at the end of the Maintenance Period Seller shall be entitled to receive the Shares as set forth below. Seller shall be deemed to have maintained the [individualinvestor.com](http://www.individualinvestor.com) web site if all current functionality of the site, including quote feeds and news feeds, have been maintained for the complete Maintenance Period. Upon the mutual agreement of Purchaser and Seller, the Maintenance Period may be shortened and the Shares delivered to Seller upon the termination of the shortened Maintenance Period. If the DNS entry for the [individualinvestor.com](http://www.individualinvestor.com) domain is changed (by Purchaser or by Seller at Purchaser's written request) to point to Purchaser's servers, Purchaser shall, within two (2) days of the date of the change in the DNS entry, notify the Escrow Agent and Seller in writing that the Maintenance Period has been shortened, and that Escrow Agent should deliver the Shares to Seller.

2

<page>

(b) Escrow Agent shall deliver the stock certificates representing in the aggregate all of the Shares to Seller at 5:00 p.m., Eastern time, on December 3, 2001, unless Escrow Agent has prior to such time received from Purchaser a written notice ("Rescission Notice") indicating that Seller has failed to maintain the [individualinvestor.com](http://www.individualinvestor.com) web site during the Maintenance Period and that as result of such failure, Purchaser desires to rescind this Agreement. Purchaser shall deliver a copy of the Rescission Notice to Seller at the time delivery is made to Escrow Agent. If Purchaser timely delivers a Rescission Notice to Escrow Agent and Seller, Purchaser shall, within two (2) business days after delivery of the Rescission Notice, return all of the Transferred Assets to Seller and provide written evidence to Escrow Agent that all of the Transferred Assets have been returned to Seller. Upon Escrow Agent's receipt of such written evidence, Escrow Agent shall deliver the stock certificates representing in the aggregate all of the Shares to Purchaser. If a Rescission Notice is not timely delivered, or if Purchaser does not return all of the Transferred Assets to Seller (and provide to Escrow Agent written evidence of such return) within the time provided above, the Rescission Notice shall be deemed null and void and Escrow Agent shall deliver to Seller the stock certificates representing in the aggregate all of the Shares. If (x) Purchaser timely delivers a Rescission Notice, returns all of the Transferred Assets to Seller (and provides Escrow Agent written evidence of such return) within the time provided above and (y) Escrow Agent delivers to Purchaser the stock certificates representing in the aggregate all of the Shares, this Agreement shall be deemed rescinded and no party shall have any further liability or obligation whatsoever, except that each party's obligations pursuant to the Mutual Confidentiality Agreement dated as of July 26, 1999 shall remain in full force and effect (without limiting the foregoing and for avoidance of doubt, in the event of rescission of this Agreement, neither party shall use for any purpose whatsoever, and shall not disclose to any third party, any Confidential Information of the other party). In the event that Escrow Agent prior to December 1, 2001 receives written notice from Purchaser indicating that the Maintenance Period has been shortened and that Escrow Agent should deliver the Shares to Seller, Escrow Agent shall promptly after receipt of such notice deliver the stock certificates representing in the aggregate all of the Shares to Seller.

2.4 License to Board Software. Purchaser hereby grants Seller an irrevocable, perpetual royalty-free license, with right of sublicense and without duty to account, to the Board Software (as defined on Schedule 1.1);

provided, however, that for purposes of this Section 2.3, the Board Software shall not be deemed to include any of the content of the discussion boards on www.individualinvestor.com.

3

<page>

2.5 Closing; Deliveries. The consummation of the transactions contemplated by this Agreement (the "Closing") shall take place at Seller's offices, at 10:00 a.m. New York City time on October 26, 2001 or such other date as may be mutually agreed upon in writing by the parties hereto. At the Closing, (a) Seller shall deliver to Purchaser the contents of the Database (as defined on Schedule 1.1) and shall arrange for delivery to Purchaser, by United Parcel Service, Federal Express or such other reputable common carrier as Seller and Purchaser jointly may choose, of the web server component of the Hardware (as defined on Schedule 1.1) and Board Software (as defined on Schedule 1.1) and (b) Purchaser shall deliver to Escrow Agent one or more stock certificates that shall in the aggregate represent all of the Shares, duly endorsed for transfer to Seller with such endorsement Medallion guaranteed and accompanied by appropriate standard corporate resolutions authorizing the conveyance of the Shares to Seller. All deliverables shall be deemed delivered simultaneously and all transactions contemplated thereby shall be deemed to take place simultaneously. On or before November 5, 2001, Seller shall deliver to Purchaser, by United Parcel Service, Federal Express or such other reputable common carrier as Seller and Purchaser jointly may choose, the database server component of the Hardware.

3. Representations and Warranties of Seller.

Seller represents and warrants to Purchaser, as of the date hereof and as of the Closing, as follows:

3.1 Due Incorporation and Qualification of Seller. Seller is a corporation duly incorporated, validly existing and in good standing under the laws of Delaware. Seller is duly qualified and in good standing as a foreign corporation in each jurisdiction in which ownership or leasing of its properties or the character of its operations requires such qualification, except where the failure to qualify would not have a material adverse effect on its business, financial condition or results of operations considered as a whole (a "Material Adverse Effect"). Seller has full corporate power and authority to own, lease and operate its properties and to carry on its business in the places and in the manner currently conducted.

3.2 Authority; Due Authorization; Valid Obligation.

(a) Seller has all requisite corporate power and authority to execute and deliver this Agreement and the Additional Agreements (as defined below) and to consummate the transactions contemplated hereby and thereby. Seller has taken all corporate action necessary for the execution and delivery by it of this Agreement and the Additional Agreements and for the consummation of the transactions contemplated hereby and thereby.

(b) This Agreement and the Additional Agreements constitute the valid and binding obligations of Seller and are enforceable against Seller in accordance with their respective terms, except as may be limited by principles of equity or by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally.

4

<page>

3.3 No Conflicts or Defaults. The execution and delivery by Seller of this Agreement and the Additional Agreements and the consummation of the transactions contemplated hereby and thereby do not (a) contravene Seller's Certificate of Incorporation or By-laws or (b) with or without the giving of notice or the passage of time, or both, violate or conflict with, or result in a breach of, or a default or loss of rights under, any material agreement, mortgage, indenture, lease, instrument, permit or license to which Seller is a party or by which Seller or any of the Transferred Assets are bound, or any judgment, order, decree, law, rule or regulation to which Seller or any of the Transferred Assets are subject, except any such violation, conflict, breach, default or loss of rights as would not have a Material Adverse Effect.

3.4 Authorizations. No authorization, approval, order, license, permit or consent of, or filing or registration with, any court or governmental authority, or consent of any other party, is required in connection with the execution, delivery and performance by Seller of this Agreement or the Additional Agreements; provided, however, that (a) the consent of Network Solutions Inc. ("NSI") is required in order to transfer to Purchaser the registration of the Domain Names (as defined on Schedule 1.1), (b) the consent of WIMS and/or Interep would be necessary in order to assign to Purchaser Seller's rights pursuant to the WIMS Sales Representative Agreement and (c) the consent of the advertiser would be necessary in order for Purchaser to be entitled to the benefit of any Open Order.

3.5 Transferred Assets. Seller has, and will deliver to Purchaser at

the Closing, good and marketable title to the Transferred Assets, free and clear of all encumbrances, liens, charges or other restrictions of any kind or character (collectively, "Liens"), except for any Liens incurred by Purchaser prior to the Closing. The equipment included in the Transferred Assets are generally in good operating condition and a good state of maintenance and repair, reasonable wear and tear excepted, and are suitable for use in the operation of www.individualinvestor.com as currently conducted.

3.6 Litigation. There is no claim, action, suit, proceeding, investigation or criminal proceeding, at law or in equity, before any national, state or provincial, local or other governmental authority, court, arbitration tribunal or other forum (collectively, "Proceedings") pending against Seller, and Seller has not received notice of any threatened Proceedings that, if adversely determined, would, singly or in the aggregate, materially adversely affect the consummation of the transactions contemplated by this Agreement or the Additional Agreements, or which challenge the validity or propriety of the transactions contemplated by this Agreement or the Additional Agreements.

3.7 Disclosure. Purchaser acknowledges that Seller does not make any explicit or implicit representation as to the level of revenues and expenses that Purchaser might generate and incur, respectively, in connection with Purchaser's operation of the Transferred Assets.

4. Representations and Warranties of Purchaser.

Purchaser represents and warrants to Seller, as of the date hereof and as of the Closing, as follows:

4.1 Due Organization and Qualification. Purchaser is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware, with full corporate power and authority to own, lease and operate its properties and to carry on its business in the places and in the manner currently conducted.

5

<page>

4.2 Authority; Due Authorization; Valid Obligation.

(a) Purchaser has all requisite corporate power and authority to execute and deliver this Agreement and the Additional Agreements and to consummate the transactions contemplated hereby and thereby. Purchaser has taken all corporate action necessary for the execution and delivery by it of this Agreement and the Additional Agreements and for the consummation of the transactions contemplated hereby and thereby.

(b) This Agreement and the Additional Agreements constitute the valid and binding obligations of Purchaser and are enforceable against Purchaser in accordance with their respective terms, except as may be limited by principles of equity or by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally.

4.3 No Conflicts or Defaults. The execution and delivery by Purchaser of this Agreement and the Additional Agreements and the consummation of the transactions contemplated hereby and thereby do not (a) contravene Purchaser's Certificate of Incorporation or By-Laws or (b) with or without the giving of notice or the passage of time, or both, violate or conflict with, or result in a breach of, or a default or loss of rights under, any material agreement, mortgage, indenture, lease, instrument, permit or license to which Purchaser is a party or by which it or any material portion of its assets is bound, or any judgment, order, decree, law, rule or regulation to which it or any material portion of its assets is subject, except any such violation, conflict, breach, default or loss of rights as would not have a Material Adverse Effect.

4.4 Authorizations. No authorization, approval, order, license, permit or consent of, or filing or registration with, any court or governmental authority, or consent of any other party, is required in connection with the execution, delivery and performance by Purchaser of this Agreement or the Additional Agreements.

4.5 Shares. Purchaser has, and will deliver to Seller at the Closing, good and marketable title to the Shares, free and clear of all Liens, except for any Liens incurred by Seller prior to the Closing.

4.6 Litigation. There are no Proceedings pending against Purchaser, and Purchaser has not received notice of any threatened Proceedings, that, if adversely determined, would, singly or in the aggregate, materially adversely affect the consummation of the transactions contemplated by this Agreement or the Additional Agreements, or which challenge the validity or propriety of the transactions contemplated by this Agreement or the Additional Agreements.

5. Acts and Instruments of Transfer; Correspondence.

5.1 Acts and Instruments. Whenever reasonably requested to do so by either party, on or after the Closing, the other party and its officers shall do, execute, acknowledge and deliver all such acts, bills of sale, assignments,

<page>

conveyance, and any and all such further instruments and documents ("Additional Agreements"), in form reasonably satisfactory to the requesting party and its counsel, as shall be reasonably necessary or advisable to carry out the intent of this Agreement and to (a) vest in Purchaser all the right, title and interest of Seller in and to the Transferred Assets and (b) vest in Seller all the right, title and interest of Purchaser in and to the Shares. Without limiting the foregoing, for each of the Domain Names (i) Purchaser shall request NSI, registrar of such Domain Name, to record Purchaser as the registrant of such Domain Name, (ii) Purchaser shall, upon receipt of the rejection by NSI containing a NIC Tracking Number, complete a Registrant Name Change Agreement (using the approved NSI form), filling in all applicable information (including the NIC Tracking Number), sign such Registrant Name Change Agreement and deliver the Registrant Name Change Agreement to Seller; and (iii) upon receipt of a Registrant Name Change Agreement properly filled in and executed by Purchaser, Seller shall sign and deliver to NSI such Registrant Name Change Agreement. The parties acknowledge and agree that NSI may take several weeks to process the Registrant Name Change Agreement; in the event that NSI offers expedited processing upon payment of a fee, Purchaser may send Seller, together with the Registrant Name Change Agreement, a check payable to NSI in the amount of the expedited processing fee and Seller shall submit to NSI such check together with the fully-executed Registrant Name Change Agreement.

6. Indemnification.

6.1 Seller's Indemnification. Seller hereby agrees to indemnify, defend and hold harmless Purchaser, its officers, directors, shareholders and each other person who controls Purchaser (without duplication), from and after the Closing, against and in respect of any loss, cost, damage, deficiency or expense (including any related loss, cost, damage, deficiency or expense arising pursuant to Section 6.3) (collectively, "Damages") arising from or related to: (i) Seller's breach or non-performance of any agreement, representation, warranty or undertaking contained in this Agreement, (ii) any lawsuit or any court, administrative or other proceeding initiated against Purchaser by any third party arising out of or relating to Seller's operation of the Transferred Assets prior to the end of the Maintenance Period, and (iii) any lawsuit or any court, administrative or other proceeding initiated against Purchaser by any third party alleging that Purchaser's use of the mark "individualinvestor.com" in Purchaser's operation of a world wide web site accessed via the URL www.individualinvestor.com infringes upon a valid trademark of such third party (provided that Seller or Purchaser is the valid registrant of the URL www.individualinvestor.com).

6.2 Purchaser's Indemnification. Purchaser hereby agrees to indemnify, defend and hold harmless Seller, its officers, directors, shareholders and each other person who controls Seller (without duplication), from and after the Closing, against and in respect of any Damages arising from or related to: (i) Purchaser's breach or non-performance of any agreement, representation, warranty or undertaking contained in this Agreement or (ii) except for matters as to which Purchaser is entitled to indemnification from Seller pursuant to Section 6.1(iii), any lawsuit or any court, administrative or other proceeding initiated against Seller by any third party arising out of or relating to Purchaser's operation of the Transferred Assets from and after the Closing.

6.3 Related Costs and Expenses. Each indemnifying party hereto shall, in addition to such indemnifying party's obligations under Section 6.1 or 6.2, as applicable, indemnify and hold harmless the indemnified party hereto from, against and in respect of any and all actions, suits, proceedings, demands, assessments, judgments, settlements, costs (including reasonable attorneys' fees and disbursements) and legal and other expenses of the indemnified party incident to any matter as to which the indemnified party is entitled to indemnification under such Sections 6.1 or 6.2, or incident to any allegations or claims which, if true, would give rise to Damages subject to indemnification thereunder, or incident to the enforcement by the indemnified party of this Section 6.

<page>

6.4 Third Party Claims. If a claim by a third party is made against an indemnified party, and if the indemnified party intends to seek indemnity with respect thereto under this Section 6, such indemnified party shall promptly notify the indemnifying party of such claim in writing ("Notice of Indemnification Claim"). The indemnifying party shall have thirty (30) calendar days after receipt of such Notice of Indemnification Claim to undertake, conduct and control, through counsel of its own choosing (subject to the consent of the indemnified party, such consent not to be unreasonably withheld or delayed) and at its expense, the settlement or defense therefor, and the indemnified party shall co-operate with the indemnifying party at the indemnifying party's expense as the indemnifying party reasonably may request in connection therewith; provided that: (i) the indemnifying party shall not thereby permit to exist any

Lien upon any assets of any indemnified party; (ii) the indemnifying party shall permit the indemnified party to participate in such settlement or defense through counsel chosen by the indemnified party, provided that the fees and expenses of such counsel shall be borne by the indemnified party unless both the indemnifying party and the indemnified party are named parties to the action and the defense of both parties by the same counsel would be inappropriate due to actual or potential conflict of interest, and provided further that such participation shall not affect the control of the matter by the indemnifying party; and (iii) the indemnifying party shall promptly reimburse the indemnified party for the full amount of any loss resulting from such claim and all related expense incurred by the indemnified party within the limits of this Section 6. If the indemnifying party does not notify the indemnified party within thirty (30) calendar days after receipt of the Notice of Indemnification Claim that the indemnifying party elects to undertake the defense thereof, the indemnified party shall have the right to contest, settle or compromise the claim in the exercise of its exclusive discretion at the expense of the indemnifying party. So long as the indemnifying party is reasonably contesting any such claim in good faith, the indemnified party shall not pay or settle any such claim. Notwithstanding the foregoing, the indemnified party shall have the right to pay or settle any such claim if, in the reasonable judgment of the indemnifying party (consent to such payment or settlement not to be unreasonably denied or delayed) the payment or settlement of such claim will not adversely affect the indemnifying party, provided that in the event of such payment or settlement the indemnified party shall waive any right to indemnity therefor by the indemnifying party. The indemnified party shall join in a settlement of a third party claim proposed by the indemnifying party, provided that such settlement shall be at the expense of the indemnifying party, that such settlement shall achieve the release and discharge of the indemnified party by such third party and that such settlement shall not prejudice in any material respect the indemnified party's rights against such third party claimant or any other third party with respect to matters unrelated to the third party claim in issue.

6.5 Survival of Representations and Warranties, Limitations of Claims.

(a) The representations and warranties and indemnities set forth in this Agreement shall survive the Closing; provided, that the provisions of this Section 6 shall constitute the sole remedy of any party for breach of any representations or warranties in connection with the transactions contemplated by this Agreement.

8

<page>

(b) Any claim between the parties hereto (other than a claim for indemnification in respect of third party claims for unpaid taxes) predicated on a breach of warranty or representation contained in this Agreement shall survive the Closing but shall be barred after the second (2nd) anniversary of the Closing.

(c) Claims for indemnification in respect of third party claims, including third party claims for taxes, shall survive the Closing but shall be barred after the applicable statute of limitations.

(d) No payment shall be required to be made by Seller or Purchaser pursuant to Section 6.1 or Section 6.2 except to the extent that the amount of Damages suffered by Purchaser or Seller or their related indemnified parties in connection with such claim, together with all claims asserted therewith or previously asserted under this Section 6 by any of them, exceeds ten thousand dollars (\$10,000) in the aggregate.

(e) THE WARRANTIES EXPRESSLY STATED IN THIS AGREEMENT ARE THE ONLY WARRANTIES THAT APPLY TO THE TRANSFERRED ASSETS AND THESE WARRANTIES ARE IN LIEU OF, AND SELLER EXPRESSLY DISCLAIMS, ANY AND ALL OTHER WARRANTIES EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

(f) NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, THE MAXIMUM LIABILITY OF EITHER SELLER OR PURCHASER TO ANY PERSON, CORPORATION OR OTHER ENTITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER SUCH LIABILITY ARISES FROM A CLAIM BASED IN TORT, CONTRACT (EXPRESS OR IMPLIED), WARRANTY, STATUTE OR OTHERWISE, SHALL IN NO EVENT EXCEED THE SUM OF ONE HUNDRED THOUSAND DOLLARS (\$100,000).

(g) NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, AND REGARDLESS OF WHETHER ANY REMEDY FAILS OF ITS ESSENTIAL PURPOSE, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR TO ANY OTHER PERSON, CORPORATION OR OTHER ENTITY FOR ANY LOST PROFITS, LOSS OF USE, COST OF OBTAINING SUBSTITUTE GOODS OR SERVICES, OR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, INDIRECT OR EXEMPLARY DAMAGES ARISING UNDER OR IN ANY WAY RELATING TO THIS AGREEMENT, EVEN IF THAT PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE; PROVIDED, HOWEVER, THAT THIS LIMITATION ON LIABILITY SHALL NOT APPLY TO LIABILITY OF EITHER PURCHASER OR SELLER AS AN INDEMNIFYING PARTY AGAINST ANY THIRD PARTY CLAIM.

9

<page>

7. Miscellaneous.

7.1 Entire Agreement. This Agreement, together with the Additional Agreements and the other documents and instruments delivered pursuant to this Agreement, sets forth the entire understanding of the parties with respect to its subject matter, and merges and supersedes all prior and contemporaneous understandings of the parties hereto with respect to its subject matter; provided, that the Service Agreement shall continue in full force and effect, as modified pursuant to Section 2.2 hereof. This Agreement may not be modified, in whole or in part, except by a writing signed by each of the parties hereto, and may not be waived, in whole or in part, except by a writing signed by the party granting such waiver. No waiver of any provision of this Agreement in any instance shall be deemed to be a waiver of the same or any other provision of this Agreement in any other instance. Failure of any party to enforce any provision of this Agreement shall not be construed as a waiver of its rights under such provision or any other provision.

7.2 Communications. All notices, consents and other communications given under this Agreement shall be in writing and shall be deemed to have been duly given (a) when delivered by hand or by Federal Express or a similar overnight courier to, or (b) five (5) calendar days after being deposited in any United States post office enclosed in a postage prepaid registered or certified envelope addressed to the party for whom intended, at the address for such party set forth below, or to such other address and/or contact person as may be furnished by such party by notice in the manner provided herein; provided, however, that any notice of change shall be effective only upon receipt.

If to Purchaser:

Telescan, Inc.
5959 Corporate Drive
Suite 2000
Houston, TX 77036
Attention: Senior Vice President

with a copy to:

Telescan, Inc.
5959 Corporate Drive
Suite 2000
Houston, TX 77036
Attention: Legal Department

If to Seller:

Individual Investor Group, Inc.
125 Broad Street
14th Floor
New York, NY 10004
Attention: General Counsel

with a copy to:

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

If to Escrow Agent:

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

10

<page>

7.3 Successors and Assigns. This Agreement shall be binding on, enforceable against and inure to the benefit of the parties hereto and their respective successors and permitted assigns, and nothing herein is intended to confer any right, remedy or benefit upon any other person. Either party hereto may assign its rights under this Agreement to any wholly-owned subsidiary, or to the successor of all or substantially all of such party's assets and Purchaser may assign its rights hereunder to INVESTools; provided in each case that the assignee agrees in writing to be bound by the assignor's obligations hereunder. Except as set forth in the previous sentence, no party hereto may assign its rights under this Agreement, nor may a party hereto delegate its obligations under this Agreement, without the express written consent of Purchaser or Seller, as applicable, and any attempt to do so shall be null and void.

7.4 Public Announcements. The parties shall endeavor in good faith to agree upon the text of a press release describing the execution of this Agreement. Notwithstanding the foregoing, either party may make public disclosure of any term of this Agreement to the extent required by applicable

securities laws or otherwise required by law.

7.5 Expenses. Each of the parties hereto shall bear and pay, without any right of reimbursement from the other party, and indemnify, defend and hold harmless the other party against, all costs, expenses and fees incurred by it or on its or his behalf incident to the preparation, execution and delivery of this Agreement and the performance of such party's obligations hereunder, whether or not the transactions contemplated by this Agreement are consummated, including, without limitation, the fees and disbursements of attorneys, accountants and consultants employed by such party, and all brokers, investment bankers, finders and financial advisors retained or utilized by it, or otherwise acting on its behalf, or otherwise making any claim in the nature of a broker's or finder's fee arising out of or resulting from any action or agreement of the indemnifying party or its affiliated parties, in connection with the transactions contemplated by this Agreement, and shall indemnify and hold harmless the other party from and against all such fees, costs and expenses.

7.6 Knowledge of a Party. Where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge of a party, such knowledge shall be deemed to refer only to the actual knowledge of the officers of Purchaser or Seller, as the case may be.

7.7 Governing Law. This Agreement shall in all respects be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and fully to be performed in such state, without giving effect to conflicts of law principles that otherwise might call for application of the substantive law of another jurisdiction.

11

<page>

7.8 Savings Clause. If any provision of this Agreement is held to be invalid or unenforceable by any court or tribunal of competent jurisdiction, the remainder of this Agreement shall not be affected thereby, and such provision (and the remainder of this Agreement) shall be carried out as nearly as possible according to its original terms and intent to eliminate such invalidity or unenforceability.

7.9 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures received via facsimile shall be deemed originals for all purposes.

7.10 Construction. Headings contained in this Agreement are for convenience only and shall not be used in the interpretation of this Agreement. References herein to the Agreement shall be deemed to include all Schedules and Exhibits hereto, and references herein to Sections, Schedules and Exhibits are to the sections, schedules and exhibits of this Agreement. As used herein, the singular includes the plural, and the masculine, feminine and neuter gender each includes the others where the context so indicates. The language in all parts of this Agreement shall be interpreted according to its fair meaning, and specifically shall not be interpreted strictly for or against either of the parties to this Agreement on the basis of such party's being (or being deemed to be) the drafter of this Agreement.

7.11 Escrow Agent. It is agreed that the duties and obligations of Escrow Agent under Section 2.3 are only such as are specifically provided therein and no other. Escrow Agent's duties are as a depository only, and Escrow Agent shall incur no liability whatsoever, except for its willful misconduct or gross negligence. Escrow Agent shall not be bound by any modification of its duties unless the same shall be in writing and signed jointly by Seller and Purchaser and agreed to by Escrow Agent. In the event that Escrow Agent shall be uncertain as to its duties or rights hereunder or shall receive instructions, claims or demands which, in its opinion, are in conflict with any of the provisions of Section 2.3, it shall be entitled to refrain from taking any action other than to keep safely all property held in escrow until it shall be directed otherwise in writing and signed jointly by Seller and Purchaser or by a final judgment of a court of competent jurisdiction. Escrow Agent shall be fully protected in relying upon any written notice, demand, certificate or document which it, in good faith, believes to be genuine. Escrow Agent shall not be responsible or liable in any respect on account of the identity, authority or rights of the persons executing or delivering or purporting to execute or deliver any notice to it. This Agreement shall not create any fiduciary duty on Escrow Agent's part to Seller or Purchaser, nor disqualify Escrow Agent from representing Seller in any dispute with Purchaser. Seller and Purchaser, jointly and severally, hereby indemnify and hold Escrow Agent harmless from and against any and all loss, damage, tax, liability and expense that may be incurred by Escrow Agent, arising out of or in connection with its acceptance of appointment as Escrow Agent hereunder, or the performance of its duties pursuant to this Escrow Agreement, including all legal costs and expenses of Escrow Agent defending itself against any claim or liability in connection with its performance hereunder.

12

<page>

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

INDIVIDUAL INVESTOR GROUP, INC.

TELESCAN, INC.

By: /s/ Jonathan Steinberg
Name: Jonathan Steinberg
Title: CEO

By: /s/ Roger Wadsworth
Name: Roger C. Wadsworth
Title: Senior V.P.

GRAUBARD MILLER

By: /s/ Peter M. Ziemba
Name: Peter M. Ziemba
Title: Partner

13

<page>

Schedule 1.1

Transferred Assets

1. Seller's registration to the domain names individualinvestor.com, individualinvestor.org, individual-investor.com, and individual-investor.net (collectively, the "Domain Names").
2. Seller's right, title and interest in and to the trademark "individualinvestor.com"; provided that Seller is not assigning any rights it may have pursuant to that certain Trademark License Agreement dated as of June 19, 1992 between Financial Data Systems, Inc. (predecessor to Seller) and the American Association of Individual Investors.
3. Seller's rights in and to the registered user database of www.individualinvestor.com (the "Database") and delivery of the Database to Purchaser. As of August 7, 2001, the Database had the characteristics set forth on Exhibit A hereto.
4. Seller's right, title and interest in the discussion boards of individualinvestor.com and a database server and web server (collectively, the "Hardware") and software ("Board Software") upon which the discussion boards of individualinvestor.com may be operated so as to provide the end user of the discussion boards with the experience provided as of the Closing, together with the database related to such discussion boards, provided, however, the Board Software shall not include, and Seller shall not transfer any right, title and interest in and to, any Windows server software (including without limitation, Windows NT 4.0 or Windows 2000), SQL database software or Microsoft site server software.

14

<page>

Exhibit A

- A. As of August 7, 2001, the Database contained:
1. 243,002 total users.
 2. 88,203 subscribers to the Daily Dividend e-mail.
 3. 16,282 subscribers to the Magic25 Alert e-mail.
 4. 14,965 subscribers to IIGP products and services emails.
 5. 2,632 subscribers to new products and services emails.
- B. The Database has the following fields, a majority of which are "empty" for most subscribers:

Table 1 - User_

uname| fname| mname| lname| momName | add1| add2| city| state| zip| tel
|fax|email |subId |tempSubId |subscriber| ssr| connection| country|
tele |emailDisable |emailBounces |lastBounce |age|sex |day_tel|
job_title | job_function| B2B_Industry

Table 2 - Access

Username |Password |User_Group |bit1| bit2| bit3| bit4| bit5| bit6
|bit7| bit8 date_entered |invEmail| m25alert |active

Table 3 - User marketing

uname |email_block| can_share| our_promo| all_product| investments
financial_services| high_tech_products| good_life| email_location|
email_vertion| birthday

Table 4 - Forum user

uname | name | city | state | sex | birthdate |email | hobby website
link stock |style cap val portfolio lovecomm addfixcomm |quotecomm |
MajorHoldings | TopStockWhy | InvestingGuru |FBook |FMoovie | FTeam |
MaritalStatus | Occupation | Education |AlmaMater |children
|YearsOfInvesting |DollarSizeOfPortfolio

15

<page>

C. The following questions currently are asked on the registration form.
There is no requirement to answer the questions. The answers populate
the Database.

Please tell us about your work.

-- Choose Job Title -- General Manager-GM Chairman CEO CFO CIO
President Vice President Director Manager Administrative-Clerical
Supervisor Assistant Consultant Owner

Choose Job Function -- Executive/Corporate Production/Manufacturing
Accounting/Finance Research Marketing/Promotions/PR Human Resources
Sales/Client Services Business Development IS/Systems Technology Office
Manager Creative/Graphic Artists Professional & Technical General
Office/administration Administrative Support Customer Service Skilled
Trade

Choose Industry -- Advertising/Marketing Agriculture Automotive
Building & Construction Chemical Consulting/Business Services Education
Entertainment Financial Service/Insurance Food & Beverage Government
Healthcare Hospitality Information Technology Internet Legal
Manufacturing Media, Publishing & Printing Metals Real Estate Retail
Telecommunication Transportation

I would like to hear about financial products and services, exclusive
discounts and other offers from individualinvestor.com's strategic
partners.

I would like to receive a free subscription to the Individual Investor
Dividend daily email newsletter.

I would like to receive a free subscription to the Magic25 Alert daily
email newsletter.

I would like to receive information about Individual Investor Group
products and services.

I prefer: Plain text email HTML email (when available)

I am most interested in receiving information about the following:

16

<page>

Investments Financial Services & Resources
All
Small Cap Stocks
Tech Stocks
Biotech Stocks
Options & Futures
Oil & Gas Investments
Global Investments
Mutual Funds
Insurance
Real Estate
IPOs
Venture Capital
Socially Conscious

Investments
All
Online Trading
Day Trading

Personal Financial Planning
Retirement Planning
Online Banking
Small Business Services
Investment Seminars
Financial Newsletters
Free and Discounted Books on Finance and Investing

High Tech Products The Good Life
All
Investment Software
Internet Hardware and Software
Internet Service Providers
Website Products and Services
Personal Computer Equipment
Home Office Products
PDAs
Cell Phones
Computer Games
Other

Consumer Electronics
All
Automobiles
Travel
Vacation Homes
Golf
Corporate Gifts
Gambling

17

<page>

D. The following fields currently are asked on the update user profile form. There is no requirement to answer the questions. The answers populate the Database.

Name:
City:
State:
Email Address:
Birthdate:
Marital Status:
Children:
Occupation:
Education:
Alma Mater:
Gender:
Years Investing:
Major Holdings (separated by commas):
Top Stock Pick(s), separated by commas:
Investment Style:
Portfolio Size:
Value or Growth:
Favorite Web site(s), separated by commas:
I visit individualinvestor.com because:
Investing Guru/Mentor:
Favorite Book:
Favorite Movie:
Favorite Team:
Hobbies, Interests:
Personal Quote:

18

COMPUTATION OF LOSS PER SHARE

	2001 ----	2000 ----
Net loss from continuing operations (a)	(\$4,465,503)	(\$2,722,701)
Preferred stock dividends	(157,600)	(188,709)
	-----	-----
Net loss from continuing operations applicable to common shareholders (a)	(4,623,103)	(2,911,410)
Loss from discontinued operations (a)	(867,853)	(683,088)
	-----	-----
Net loss applicable to common shareholders	(\$5,490,956)	(\$3,594,498)
	=====	=====
Basic and dilutive loss per common share:		
Continuing operations (a)	(\$0.52)	(\$0.28)
Discontinued operations (a)	(0.10)	(0.06)
	-----	-----
Total	(\$0.62)	(\$0.34)
	=====	=====
Weighted average number of common shares used in computing basic and dilutive loss per common share		
	8,887,631	10,439,887
	=====	=====

(a) During the fourth quarter of 2001, the Company's Board of Directors decided to discontinue the Company's Online Services segment and as a result, the operating results relating to the Online Services segment have been segregated from continuing operations. Prior years' amounts have been restated to conform to the current year presentation.

SUBSIDIARIES
OF
INDIVIDUAL INVESTOR GROUP, INC.

Subsidiary	State of Organization
Individual Investor Holdings, Inc.	Delaware
WisdomTree Capital Management, Inc.	New York
I.I. Strategic Consultants, Inc. (inactive)	Delaware
WisdomTree Administration, Inc. (inactive)	Delaware
I.I. Interactive, Inc.	Delaware
Advanced Marketing Ventures, Inc. (inactive)	Delaware
WisdomTree Capital Advisors, LLC (inactive)	New York

INDEPENDENT AUDITORS' CONSENT

To the Board of Directors and Stockholders of
Individual Investor Group, Inc.

We consent to the incorporation by reference in Registration Statements Nos. 33-74846 and 333-89933 on Form S-3 and Registration Statements Nos. 33-72266, 33-85910, 333-17697 and 333-89939 on Form S-8 of Individual Investor Group, Inc. and subsidiaries of our report dated March 26, 2002, appearing in this Annual Report on Form 10-KSB of Individual Investor Group, Inc. and subsidiaries for the year ended December 31, 2001.

/s/ DELOITTE & TOUCHE LLP

DELOITTE & TOUCHE LLP
New York, New York

April 1, 2002

CERTAIN RISK FACTORS

Dated: March 29, 2002

You should carefully consider these risks, as well as those described in the Form 10-KSB filed with this Exhibit, before making an investment decision. The risks described below are not the only risks we face. Additional risks may also impair our business operations. If any of the following risks occur, our business, operating results or financial condition could be materially adversely affected. If that happens, the trading price of our common stock could decline, and you may lose all or part of your investment. In the risk factors below, the word "web," refers to the portion of the Internet commonly referred to as the "world wide web."

We likely need to raise additional capital in the future. Our current levels of revenues are not sufficient to cover our expenses. We believe that our working capital and the amount we are entitled to receive from our sublessees will be sufficient to fund our operations and capital requirements through 2002. Our sublessees have been current on their rental payments to us and we do not currently have any reason to believe that any sublessee would fail to make the rental payments owed to us. In the event that our sublessees fail to make the rental payments owed to us, we would need to obtain additional capital in order to sustain operations. We cannot assure you, however, that we would be able to obtain additional capital, nor can we assure you as to the terms upon which we might be able to obtain additional capital. Obtaining additional capital could result in a substantial dilution of your equity investment in us.

We cannot predict whether our index licensing operations will generate significant revenue in the future. We have not yet derived revenues from our index licensing operations. We have licensed our America's Fastest Growing Companies (SM) Index to Nuveen Investments and the American Stock Exchange for the creation of an exchange-traded fund to be sponsored by Nuveen and based upon the America's Fastest Growing Companies (SM) Index. We are not able to predict the magnitude of the licensing revenue, if any, that we might obtain in connection with that license. The licensing revenue would be owed to us quarterly once the exchange-traded fund based upon the America's Fastest Growing Companies (SM) Index began trading. Since we have minimal expenses associated with maintaining the America's Fastest Growing Companies (SM) Index, the royalties that we may derive could have a high gross margin (the higher the royalty payments, the greater the gross margin). In March 2002, the Securities and Exchange Commission ("Commission") granted Nuveen the exemptive order it sought in order to be allowed to sponsor an exchange-traded fund based upon our America's Fastest Growing Companies (SM) Index. Such an exchange-traded fund only could commence trading if a registration statement with respect to such fund was declared effective by the Commission. We cannot assure you, however, that Nuveen will seek to have the Commission declare effective, or that the Commission would declare effective, a registration statement with respect to such fund, or that an exchange-traded fund based upon the America's Fastest Growing Companies (SM) Index will commence trading. We also cannot assure you that, if it did commence trading, an exchange-traded fund based upon the America's Fastest Growing Companies (SM) Index would prove to be popular or that we will receive any material amount of revenue with respect to the licenses described in this paragraph. We recently announced three additional indexes, the America's Fastest Growing Companies (SM) MidCap Index, the America's Fastest Growing Companies (SM) LargeCap Index and the America's Fastest Growing Companies (SM) Total Growth Index and have developed additional indexes as well. We have had discussions with a variety of parties concerning the potential license of our indexes for the creation of financial products. We cannot assure you that we will execute licensing agreements with respect to such indexes, that financial products based upon such indexes would enter the market or that we would derive any material revenues with respect to any such licenses.

<page>

We have a history of losses and we anticipate that our losses will continue in the future. As of December 31, 2001, we had an accumulated deficit of approximately \$35.4 million. Since inception, the only calendar year during which we were profitable was 1995. We expect to continue to incur operating losses during 2002. Even if we do achieve profitability, we may be unable to sustain or increase profitability on a quarterly or annual basis in the future.

Control of the Company by Principal Stockholders. At the present time, Jonathan Steinberg, and Saul Steinberg (who is Jonathan Steinberg's father), beneficially own approximately 25.9% of the common stock of the Company. Additionally, the following entities currently beneficially own the following amount of the common stock of the Company: American Financial Group, Inc., approximately 8.6%; and Reliance Financial Services Corporation, approximately 8.4%. As a result of their beneficial ownership of common stock, these parties will be able to significantly influence all matters requiring approval by the Company's stockholders, including the election of its directors. Because it may be very difficult for another company to acquire us without the approval of the Steinbergs, other companies might not view us as an attractive takeover candidate. Our stockholders, therefore, may have less of a chance to benefit

from any possible takeover of the Company, than they would if the Steinbergs did not have as much influence.

We rely on our intellectual property. To protect our rights to our intellectual property, we rely on a combination of trademark and copyright law, trade secret protection, confidentiality agreements, laws governing tortious conduct (including, for example, unfair competition) and other contractual arrangements with our employees, affiliates, clients, strategic partners and others. The protective steps we have taken may be inadequate to deter misappropriation of our proprietary information. We may be unable to detect the unauthorized use of, or take appropriate steps to enforce, our intellectual property rights. We have registered certain of our trademarks in the United States and have pending U.S. and foreign applications for other trademarks. Effective trademark, copyright and trade secret protection may not be available in every country in which we offer or intend to offer our services. We are somewhat dependent upon the use of certain trademarks in our operation, including the mark America's Fastest Growing Companies (R).

We may be liable for information published in our current or former print publications or on our online services. We may be subject to claims for defamation, libel, copyright or trademark infringement, invasion of privacy or based on other theories relating to the information we publish or published in our current or former print publications or through our former online services. We could also be subject to claims based upon the content that was accessible from our web sites through links to other web sites. Defending against any such claim could be costly and divert the attention of management from the operation of our business, and the award of damages against us could adversely affect our financial condition. Our insurance may not adequately protect us against such claims.