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

Form 10-QSB

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

For the quarterly period ended September 30, 2001

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

For the transition period from ______ to ______

Commission file number 1-10932

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

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

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

(212) 742-2277
(Issuer's telephone number)

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___

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: as of November 13, 2001, issuer had outstanding 8,987,083 shares of Common Stock, $.01 par value per share.

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INDIVIDUAL INVESTOR GROUP, INC. AND SUBSIDIARIES

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INDIVIDUAL INVESTOR GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED CONDENSED BALANCE SHEETS

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ASSETS	September 30, 2001 UNAUDITED	December 31, 2000
<S>	<C>	<C>
Current assets:		
Cash and cash equivalents	$ 1,699,271	$ 4,694,476
Accounts receivable (net of allowances of $308,783 in 2001 and $552,609 in 2000)	407,930	1,754,200
Investment in discontinued operations	49,302	49,302
Prepaid expenses and other current assets	733,529	1,036,996
Total current assets	2,890,032	7,534,974
Investments (Note 2)	-	2,678,546
Deferred subscription expense	4,298	337,245
Property and equipment - net	1,219,167	1,479,105
Security deposits	371,480	375,580
Other assets	975,791	300,810
Total assets	$ 5,460,768	$12,706,260
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,118,329	$ 2,534,027
Accrued expenses	300,830	462,800
Deferred consulting fees and non compete	775,000	-
Deferred advertising revenue	1,417,437	1,987,067
Total current liabilities	3,611,596	4,983,894
Deferred advertising revenue	-	532,653
Deferred subscription revenue	2,177,037	2,607,407
Total liabilities	5,788,633	8,123,954
Stockholders' Equity:		
Preferred stock, $.01 par value, authorized 2,000,000 shares, 7,880 issued and outstanding in 2001 and in 2000	79	79
Common stock, $.01 par value; authorized 40,000,000 shares, 8,987,083, issued and outstanding in 2001 and 8,972,886 issued and outstanding in 2000	89,871	89,729
Additional paid-in capital	33,587,966	33,576,719
Warrants	770,842	872,052
Deferred compensation	(11,100)	(29,490)
Accumulated deficit	(34,765,523)	(29,926,783)
Total stockholders' equity	(327,865)	4,582,306
Total liabilities and stockholders' equity	$ 5,460,768	$12,706,260

</Table>

See Notes to Consolidated Condensed Financial Statements

INDIVIDUAL INVESTOR GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS

UNAUDITED

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	Three Months Ended September 30, 2001	Three Months Ended September 30, 2000	Nine Months Ended September 30, 2001	Nine Months Ended September 30, 2000
<S>	<C>	<C>	<C>	<C>
Revenues:				
Print Publications	$ 486,648	$ 4,635,253	$ 4,671,946	$ 13,825,541
Online Services	63,901	588,160	914,134	2,842,813
Consulting fees and other income	225,000	-	225,000	-
Total revenues	775,549	5,223,413	5,811,080	16,668,354
Operating expenses:				
Editorial, production and distribution	374,519	3,203,827	4,640,417	10,075,042
Promotion and selling	56,943	2,177,863	2,836,511	7,378,014
General and administrative	505,777	1,470,192	2,105,435	4,158,629
Depreciation and amortization	138,337	142,152	476,657	425,341
Total operating expenses	1,075,576	6,994,034	10,059,020	22,037,026
Gain on sale of assets	2,218,251	6,702,219	2,218,251	6,702,219
Impairment of investments	(2,678,546)	-	(2,678,546)	-
Operating income (loss)	(760,322)	4,931,598	(4,708,235)	1,333,547
Investment and other income (net)	32,571	24,640	(12,305)	151,457
Net income (loss)	$ (727,751)	$ 4,956,238	$ (4,720,540)	$ 1,485,004
Basic income (loss) per common share	$ (0.09)	$ 0.47	$ (0.54)	$ 0.13
Basic weighted average of common shares outstanding	8,909,661	10,413,519	8,957,109	10,399,225
Dilutive income (loss) per common share	$ (0.09)	$ 0.44	$ (0.54)	$ 0.13
Dilutive weighted average of common shares outstanding	8,909,661	11,182,167	8,957,109	11,167,873

</Table>

See Notes to Consolidated Condensed Financial Statements

INDIVIDUAL INVESTOR GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

<Table>
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UNAUDITED

<S>	Nine Months Ended September 30, 2001 <C>	2000 <C>
Cash flows from operating activities:		
Net income (loss)	$ (4,720,540)	$ 1,485,004
Reconciliation of net income (loss) to net cash used in operating activities:		
Gain on sale of assets	(2,218,251)	(6,702,219)
Impairment of investments	2,678,546	-
Depreciation and amortization	476,657	425,341
Stock option and warrant transactions	(23,337)	202,904
Amortization of consulting fees and non compete	(225,000)	-
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	2,117,181	(111,797)
Prepaid expenses and other current assets	395,960	(133,576)
Security deposits	4,100	(20,015)
Other assets	(786,720)	(3,080)
Deferred subscription expense	332,947	246,400
Increase (decrease) in:		
Accounts payable and accrued expenses	(1,577,669)	467,980
Deferred consulting fees and non compete	775,000	-
Deferred advertising revenue	(1,102,284)	(1,770,067)
Deferred subscription revenue	(407,637)	120,990
Net cash used in operating activities	(4,281,047)	(5,792,135)
Cash flows from investing activities:		
Purchase of property and equipment	(575,493)	(216,170)
Net proceeds from sale of assets	2,618,188	5,585,819
Net cash provided by investing activities	2,042,695	5,369,649
Cash flows from financing activities:		
Proceeds from exercise of stock options	-	111,616
Receivables financing	(638,653)	1,097,059
Preferred stock dividends	(118,200)	(149,652)
Net cash provided (used) by financing activities	(756,853)	1,059,023
Net increase (decrease) in cash and cash equivalents	(2,995,205)	636,537
Cash and cash equivalents, beginning of period	4,694,476	6,437,542
Cash and cash equivalents, end of period	$1,699,271	$7,074,079

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See Notes to Consolidated Condensed Financial Statements

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2001 AND 2000
(UNAUDITED)

1. BASIS OF PRESENTATION

The consolidated condensed financial statements include the accounts of Individual Investor Group, Inc. and its subsidiaries (collectively, the "Company"). Such financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial reporting and with the instructions to Form 10-QSB. Accordingly, they do not include all of the information and footnotes as required by accounting principles generally accepted in the United States of America for annual financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary in order to make the financial statements not misleading have been included. Operating results for the three and nine months ended September 30, 2001 are not necessarily indicative of the results that may be expected for the year ending December 31, 2001. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report for the year ended December 31, 2000 on Form 10-K.

The Company on January 1, 2001 adopted Statement of Financial Accounting Standards ("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 July 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 July 1, 2003, 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 has reviewed the current operations and financial position of Tradeworx and has concluded that it has incurred an other than temporary decline in the value of its Tradeworx investment. The Company has adjusted the carrying value to estimated fair market value. Accordingly, the Company 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 has reviewed the current operations and financial position of Pricing Dynamics and has concluded that it has incurred an other than temporary decline in the value of its Pricing Dynamics investment. The Company has 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 VentureHighway 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 owns 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 is exploring 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.

3. DISCONTINUED OPERATIONS

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. As a result of the Board's decision to discontinue the investment management services business, WTCM is continuing to dissolve the domestic investment fund, liquidating its investments and distributing the net assets to all investors as promptly as possible.

In 1998, the Company recorded provisions 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. The Company believes that any remaining net operating losses and related costs associated with these discontinued operations have been adequately provided for by the provisions established in 1998.

At September 30, 2001, the domestic investment fund had remaining net assets of approximately $500,000. The Company's net investment in discontinued operations of $49,302 at September 30, 2001 represents its share of the net assets of the domestic investment fund, less any costs associated with discontinuing the investment management services.

The Company expects that assets left in the domestic investment fund will be distributed to its investors, including the Company, during the fourth quarter of 2001.

4. STOCK OPTIONS

During the three and nine months ended September 30, 2001: the Company granted 0 and 886,000 options, respectively, to purchase the Company's Common Stock pursuant to the Company's stock option plans; no options were exercised; 844,958 and 968,792 options, respectively, were canceled; and 97,750 and 107,250 options, respectively, expired.

Of the options granted during the nine months ended September 30, 2001, the 420,000 options granted to Jonathan Steinberg, the Company's President and Chief Executive Officer, were granted at an exercise price equal to 110% of the fair market value of the stock on the date of grant; all other options granted during the period have an exercise price equal to the fair market value of the stock at the date of issuance and expire at various dates through February 2011.

In April 2001, the Company's board of directors approved the 2001 Performance Equity Plan ("2001 Plan"). In order to grant options intended to qualify as incentive options under the Internal Revenue Code, the Company's stockholders must adopt the 2001 Plan by April 2002. 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 only be granted until April 24, 2011. The 2001 Plan is administered by the Company's stock option committee pursuant to the powers delegated to it by the Company's board of directors.

In May 2001, the Stock Option Committee, pursuant to the Company's 2000 Performance Equity Plan, awarded 223,000 shares ("Restricted Shares") of authorized but unissued Common Stock in the aggregate to certain employees subject to the terms of a restricted stock agreement. In July 2001, as a result of the Magazine Sale (see Note 9), the Company terminated the majority of its employees and 186,000 of the Restricted Shares were canceled.

5. INCOME (LOSS) PER COMMON SHARE

Basic net income (loss) per share for the three and nine months ended September 30, 2001 and 2000, respectively, is computed by dividing the net income (loss), after deducting dividends on cumulative convertible preferred stock, by the weighted average number of shares of Common Stock outstanding during the applicable period. Diluted income (loss) per common share for the three and nine months ended September 30, 2001 and 2000, respectively, is computed by dividing net income (loss) by the weighted average number of shares of Common Stock

and common equivalent shares during the applicable 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 exercise of stock options, warrants and other securities convertible into shares of Common Stock were not assumed in the computation of diluted loss per common share, as the effect would have been antidilutive. The exercise of stock options and warrants were not assumed in the computation of diluted income per common share because the respective exercise prices of such securities were in excess of the value of the Common Stock during the applicable period.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2001	2000	2001	2000
Net loss	$ (727,751)	$ 4,956,238	$(4,720,540)	$ 1,485,004
Preferred stock dividends	(39,400)	(49,652)	(118,200)	(149,652)
Net loss applicable to common Shareholders	$ (767,151)	$ 4,906,586	$(4,838,740)	$ 1,335,352

5. SEGMENT INFORMATION

The Company's business segments are focused on providing research and analysis of investment information to individuals and investment professionals through two operating segments: Print Publications and Online Services. For the period ended September 30, 2000, the Company's Print Publications operations published and marketed Individual Investor magazine, a personal finance and investment magazine, Ticker, a magazine for investment professionals, and Individual Investor's Special Situations Report, a financial investment newsletter. The Company's Online Services operations for the period ended September 30, 2000 included individualinvestor.com (www.individualinvestor.com) and InsiderTrader.com. The assets of Ticker magazine and InsiderTrader.com were sold during the quarter ended September 30, 2000. During the first quarter of 2001, the Company launched another online product, SHORTInterest.com (www.shortinterest.com). Substantially all of the Company's operations are within the United States. On July 9, 2001, the Company completed the Magazine Sale (see Note 9) and ceased publishing Individual Investor magazine. The Company continues to publish Individual Investor's Special Situations Report, a financial investment newsletter and continues to operate its Online Services segment.

The table below presents summarized operating data for the Company's two business segments, consistent with the way such data is utilized by Company management in evaluating operating results. Any inter-segment revenues included in segment data are not material. The accounting policies utilized in the table below are the same as those described in Note 1 of the notes to consolidated condensed financial statements, as well as the consolidated condensed financial statements and footnotes thereto in the Company's Annual Report on Form 10-K for the year ended December 31, 2000. Operating contribution represents the difference between operating revenues less operating expenses (before general and administrative ("G&A") and depreciation and amortization expenses).

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	Three Months Ended September 30, 2001	2000
<S>	<C>	<C>
Revenues:		
Print Publications	$ 711,648	$ 4,635,253
Online Services	63,901	588,160
	$ 775,549	$ 5,223,413
Operating contribution (before G&A and depreciation and amortization expenses)		
Print Publications	$ 553,280	$ 508,152
Online Services	(209,193)	(666,429)
	344,087	(158,277)
Gain from sale of assets	2,218,251	6,702,219
Impairment of investment	(2,678,546)	-
G&A and depreciation and amortization expenses	(644,114)	(1,612,344)
Investment and other income	32,571	26,640
Net loss	$ (727,751)	$ (4,956,238)

	Nine months ended September 30, 2001	2000
Revenues:		
Print Publications	$ 4,896,946	$ 13,825,541
Online Services	914,134	2,842,813
	$ 5,811,080	$ 16,668,534
Operating contribution (before G&A and depreciation and amortization expenses)		
Print Publications	$ (1,165,547)	$ 476,930

Online Services	(500,301)	(1,261,632)
	(1,665,848)	(784,702)
Gain from sale of assets	2,218,251	6,702,219
Impairment of investment	(2,678,546)	-
G&A and depreciation and amortization expenses	(2,582,092)	(4,583,970)
Investment and other income	(12,305)	151,457
Net loss	$ (4,720,540)	$ 1,485,004

</Table>

Non-current investments as of September 30, 2001 as compared to December 31, 2000 decreased by approximately $2.7 million, due to the other than temporary decline in the carrying value of Tradeworx and Pricing Dynamics (see Note 2). Net accounts receivable as of September 30, 2001 decreased approximately $1.3 million due to the completion of the Magazine Sale (see Note 9) and cessation of Individual Investor magazine and the collection of prior period balances. Accounts payable as of September 30, 2001 decreased approximately $1.6 million due to decreased activity and the payment of outstanding balances to vendors. Deferred advertising revenue as of September 30, 2001 decreased approximately $ 1.1 million due to revenue earned during the period. Additionally, deferred subscription revenue as of September 30, 2001 decreased approximately $0.4 million due to revenues earned during the period. In connection with the Magazine Sale (see Note 9), Kiplinger has 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. There were no other material changes from year-end 2000 in total assets, in the basis of segmentation, or in the basis of measurement of segment profit or loss.

7. 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 transferred 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 the three and nine months ended September 30, 2001, this interest rate averaged approximately 6.7% and approximately 7.7%, respectively. The Company retained the credit risk for any receivable that was transferred and with respect to which 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 $2,000 and $25,000, respectively, related to this facility during the three and nine months ended September 30, 2001. 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 9) 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 recoursed to the Company. The cancellation cost of the contract is reflected as a cost of the Magazine Sale (see Note 9) and has reduced the net gain thereof accordingly.

8. COMMITMENTS AND CONTINGENCIES

In May 2001, the Company entered into a sublease agreement with an unrelated third party to sublet approximately 17,000 square feet of its New York City corporate office space, through March 31, 2004, at a rental amount per square foot in excess of the Company's current cost. Pursuant to the sublet, the Company is entitled to receive annual rent of approximately $607,000, escalating to

approximately $642,000 over the term of the sublease. The anticipated sublease payments will reduce the Company's effective rent to approximately $0.4 million per year, excluding the effect of the capital expenses related to the sublease that have been or will be paid this year. The Company required and received a deposit of approximately

$0.2 million as advance payment of rent for certain months in 2001 ($0.1 million remaining at September 30, 2001) to offset in part the capital expenses related to the sublease. Additionally, the Company is seeking to sublet the remaining 18,000 square feet of its office space (see Note 9).

9. MAGAZINE SALE

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% in order to focus on its stock index licensing operations and the low-cost maintenance of its online operations, which include www.individualinvestor.com and www.SHORTInterest.com. Additionally, the Company announced that it would seek to sublet 18,000 square feet of its office space.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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

1. "Forward-looking Statements." Certain parts of this Report describe historical information (such as operating results for the three and nine months ended September 30, 2001 and September 30, 2000, respectively), 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 September 30, 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 September 30, 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, net income or loss, contribution to overhead, page views, revenues per page view, marketing expenses, sales expenses, and general and administrative expenses. 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 2 (entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations") of Part I hereof, in Exhibit 99 hereof and elsewhere in this Report, and in Item 1 (entitled "Business") of Part I and in Item 7 (entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations") of Part II of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000, filed with the Securities and Exchange Commission.

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.

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Three and Nine Months Ended September 30, 2001 as Compared to the Three and Nine Months Ended September 30, 2000

Operating Loss

During the nine month period ended September 30, 2000, the Company's Print Publications operations published and marketed Individual Investor magazine, a personal finance and investment magazine, Ticker, a magazine for investment professionals, and Individual Investor's Special Situations Report, a financial investment newsletter. The Company's Online Services operations for the period ended September 30, 2000 included individualinvestor.com (www.individualinvestor.com) and InsiderTrader.com. The assets of Ticker magazine and InsiderTrader.com were sold during the quarter ended September 30, 2000 (the "Ticker Sale" and the "InsiderTrader Sale," respectively). On July 9, 2001, the Company completed the transactions (the "Magazine Sale") contemplated by an agreement with The Kiplinger Washington Editors, Inc. ("Kiplinger"), the publisher of Kiplinger's Personal Finance Magazine ("KPFM") and discontinued publishing Individual Investor magazine.

The Company incurred an operating loss for the three and nine months ended September 30, 2001 of approximately $0.8 million and $4.7 million, respectively, as compared to operating income of approximately $4.9 million and $1.3 million, respectively, for the three and nine months ended September 30, 2000. Print Publications operations provided a positive (negative) operating contribution (before deducting G&A and depreciation and amortization expenses) of approximately $ 0.6 million and ($1.2) million, respectively, for the three and nine months ended September 30, 2001, as compared to a positive contribution of approximately $0.5 million and $0.5 million, respectively, for the three and nine months ended September 30, 2000. Online Services operations provided a negative operating contribution (before deducting G&A, and depreciation and amortization expenses) of approximately $0.2 million and $0.5 million, respectively, for the three and nine months ended September 30, 2001 as compared to a negative operating contribution (before deducting G&A, and depreciation and amortization expenses) of approximately $0.7 million and $1.3 million, respectively, for the three and nine months ended September 30, 2000.

Revenues

Revenues for the three and nine months ended September 30, 2001 decreased approximately 85% and 66%, respectively, to approximately $0.8 million and $5.8 million, respectively, as compared to approximately $5.2 million and $16.7 million, respectively, for the three and nine months ended September 30, 2000. The decline is attributable primarily to the Magazine Sale and the Ticker Sale.

Revenues from Print Publications operations for the three and nine months ended September 30, 2001 decreased approximately 90% and 66%, respectively, to approximately $0.5 million and $4.7 million, respectively, as compared to approximately $4.6 million and $13.8 million, respectively for the three and nine months ended September 30, 2000. The decline is attributable primarily to the Magazine Sale and the Ticker Sale.

Revenues from Online Services operations for the three and nine months ended September 30, 2001 decreased approximately 89% and 68%, respectively, to approximately $0.1 million and $0.9 million, respectively, as compared to approximately $0.6 million and $2.8 million, respectively, for the three and nine months ended September 30, 2000. The decrease in advertising revenues is attributable primarily to a decrease in demand for and pricing of advertising impressions due to the current market conditions in online advertising and the InsiderTrader sale.

Operating Expenses

Operating expenses for the three and nine months ended September 30, 2001 decreased approximately 85% and 54%, respectively, to approximately $1.1 million and $10.1 million, respectively, as compared to approximately $7.0 million and $22.0 million, respectively, for the three and nine months ended September 30, 2000. The decline is attributable primarily to the Magazine Sale, the Ticker Sale and the InsiderTrader Sale.

Editorial, production and distribution expenses for the three and nine months ended September 30, 2001 decreased approximately 88% and 54%, respectively, to approximately $0.4 million and $4.6 million, respectively, as compared to approximately $3.2 million and $10.1 million, respectively, for the three and nine months ended September 30, 2000. Editorial, production and distribution expenses for the three months ended September 30, 2001 include expenses (primarily employee salaries) and obligations incurred prior to the Magazine Sale. The decline is attributable primarily to the Magazine Sale, the Ticker Sale and the InsiderTrader Sale.

Promotion and selling expenses for the three and nine months ended September 30, 2001 decreased approximately 97% and 62%, respectively, to approximately $0.1 million and $2.8 million, respectively, as compared to approximately $2.2 million and $7.4 million, respectively, for the three and nine months ended September 30, 2000. The decline is attributable primarily to the Magazine Sale, the Ticker Sale and the InsiderTrader Sale.

General and administrative expenses for the three and nine months ended September 30, 2001 decreased approximately 66% and 49%, respectively, to approximately $0.5 million and $2.1 million, respectively, as compared to approximately $1.5 and $4.2 million, respectively for the three and nine months ended September 30, 2000. The decline is attributable primarily to the Magazine Sale, the Ticker Sale and the InsiderTrader Sale.

Depreciation and amortization expense for the three and nine months ended September 30, 2001 decreased approximately 3% and increased approximately 12%, respectively, to approximately $138,000, and $477,000, respectively, as compared to approximately $142,000 and $425,000, respectively, for the three and nine months ended September 30, 2000. The increase for the nine months ended September 30, 2001 is attributable to additional depreciation for furniture and fixtures as well as the amortization of leasehold improvements. The decrease for the three months ended September 30, 2001 is due to the disposal of assets related to the Magazine Sale.

Gain on Sale of Assets

Gain on sale of assets for the year three and nine months ended September 30, 2001 of approximately $2.2 million represents the gain on the Magazine Sale. The gain on sale of assets for the three and nine month period ended September 30, 2000 of approximately $6.7 million represents the gain on the Ticker Sale, the sale of two Internet domain names and the InsiderTrader Sale.

Impairment of Investments

During the third quarter of 2001, the Company recorded an impairment of approximately $1.1 million with respect to its investment in Tradeworx. Inc., acquired in May 2000 and approximately $1.5 million with respect to its investment in Pricing Dynamics, Inc., acquired in February 2000.

Investment and Other Income (Loss)

Investment and other income (loss) for the three and nine months ended September 30, 2001 increased (decreased) to approximately $33,000 and ($12,000), respectively, as compared to approximately $25,000 and $151,000, respectively, for the three and nine months ended September 30, 2000. The results for the nine months ended September 30, 2001 include the costs associated with the accounts receivable securitization financing. The increased income for the three months ended September 30, 2001 is due to the termination of the securitization facility and increased cash balances offset by lower interest rates on deposits.

Net Income (Loss)

The Company recorded a net loss for the three and nine months ended September 30, 2001 of approximately $0.7 million and $4.7 million, respectively, as compared to net income of approximately $5.0 million and $1.5 million, respectively, for the three and nine months ended September 30, 2000. 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 three and nine months ended September 30, 2001 was $0.09 and $0.54, respectively, as compared to basic and dilutive net income per share of $0.47 and $0.44, respectively for the three months ended September 30, 2000 and $0.13 and $0.13 for the nine months ended September 30, 2000.

Liquidity and Capital Resources

As of September 30, 2001, the Company had cash and cash equivalents of approximately $1.7 million, and negative working capital of approximately $0.7 million.

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(TM) 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(TM) Index. The licensing revenue, which the Company would be owed quarterly once the

exchange-traded fund based upon the America's Fastest Growing Companies(TM) Index began trading, would be almost 100% gross margin as the Company would have essentially no marginal expenses associated with such revenues. Nuveen is working to obtain the necessary regulatory approval to commence trading of such an exchange-traded fund but there can be no assurance that Nuveen will obtain the necessary regulatory approval or that the exchange-traded fund based upon the America's Fastest Growing Companies(TM) Index will commence trading. There also can be no assurance that, if it does commence trading, the exchange-traded fund based upon the America's Fastest Growing Companies(TM) Index will 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(TM) MidCap 300 Index, the America's Fastest Growing Companies(TM) LargeCap 50 Index and the America's Fastest Growing Companies(TM) Total Market Index and has announced its intention to develop sector indexes in the America's Fastest Growing Companies(TM) Index family. The Company has had discussions with a variety of parties concerning the potential license of those additional indexes for the creation of financial products. The Company moreover is in discussions to develop additional indexes to serve as the basis for 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 will be sufficient to fund its operations and capital requirements through 2001. The Company might need to obtain additional capital in the last half of 2002 in order to sustain operations if its stock index licensing operations do not generate significant revenue, its online services continue to operate at a loss and the Company is unsuccessful in finding a subtenant for the majority of its approximately 18,000 square feet of remaining office space. There can be no assurance, however, that the Company will be able to obtain additional capital through the sale of assets or securities of the Company, or as to the terms upon which the Company might be able to do so. Any additional financing could result in 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.

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 July 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 July 1, 2003, and has not yet determined the impact that this statement will have on its results of operations or financial position.

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INDIVIDUAL INVESTOR GROUP, INC. AND SUBSIDIARIES

PART II - OTHER INFORMATION

ITEM 1. 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 6. Exhibits and Reports on Form 8-K

(a) Exhibits

<Table>
<Caption>

Exhibit No.	Description	Method of Filing
<S>	<C>	<C>
3.1	Amended and Restated Certificate of Incorporation of Issuer, as amended through June 22, 1999	Incorporated by reference to Exhibit 3.2 to the Form 10-Q for the quarter ended June 30, 1999
3.2	By-laws of Issuer amended through April 27, 1999	Incorporated by reference to Exhibit 3.3 to the Form 10-Q for the quarter ended June 30, 1999
4.1	Agreement dated as of July 9, 2001 between Issuer and The Kiplinger Washington Editors, Inc. ("Kiplinger")	Incorporated by reference to Exhibit 4.1 to the Form 8-K filed July 19, 2001
10.1	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 4.1 to the Form 8-K filed July 19, 2001
10.2	Escrow Agreement dated as of July 11, 2001 by and among Issuer, Kiplinger and First Union National Bank	Incorporated by reference to Exhibit 4.1 to the Form 8-K filed July 19, 2001
99	Certain Risk Factors	Filed herewith

</Table>

(b) Reports on Form 8-K

The Company filed a Form 8-K on July 19, 2001 with respect to the Magazine Sale described in Note 9 to the Company's consolidated condensed financial statements for the period ending September 30, 2001 filed with this Report.

SIGNATURES

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

DATE: November 14, 2001

INDIVIDUAL INVESTOR GROUP, INC. (Issuer)

By: /s/ Jonathan L. Steinberg

Jonathan L. Steinberg,
Chief Executive Officer and Director

By: /s/ Gregory E. Barton

Gregory E. Barton,
President and Chief Financial Officer
(Principal Financial Officer)

By: /s/ Howard B. Lorch

Howard B. Lorch,
Vice President, Controller
(Principal Accounting Officer)

EXHIBIT 99

CERTAIN RISK FACTORS

Dated: November 14, 2001

You should carefully consider these risks, as well as those described in our most recent Form 10-K, 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 may need to raise additional capital in the future. Our current levels of revenues are not sufficient to cover our expenses. Our current expenses, however, exceed our current revenue from our online operations, monthly newsletter and stock index licensing, the latter of which has not yet contributed revenue. We believe that our working capital will be sufficient to fund our capital requirements through 2001. We might need to obtain additional capital in the last half of 2002 if our stock index licensing operations do not generate significant revenue, our online services continue to operate at a loss and we are unsuccessful in finding a subtenant for the majority of our approximately 18,000 square feet of remaining office space. We cannot assure you that would be able to obtain additional capital through the sale of assets or securities, nor can we assure you as to the terms upon which we might be able to sell such assets or securities. Any additional financing 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 licensed our America's Fastest Growing Companies(TM) 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(TM) 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, which would be owed to us quarterly once the exchange-traded fund based upon the America's Fastest Growing Companies(TM) Index began trading, would be almost 100% gross margin as we would have essentially no marginal expenses associated with such revenue. Nuveen is working to obtain the necessary regulatory approval to commence trading of such an exchange-traded fund but we cannot assure you that Nuveen will obtain the necessary regulatory approval or that the exchange-traded fund based upon the America's Fastest Growing Companies(TM) Index will commence trading. We also cannot assure you that, if it does commence trading, the exchange-traded fund based upon the America's Fastest Growing Companies(TM) Index will 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(TM) MidCap 300 Index, the America's Fastest Growing Companies(TM) LargeCap 50 Index and the America's Fastest Growing Companies(TM) Total Market Index and has announced our intention to develop sector indexes in the America's Fastest Growing Companies(TM) Index family. We have had discussions with a variety of parties concerning the potential license of those additional indexes for the creation of financial products. Moreover, we are in discussions to develop additional indexes to serve as the basis for 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.

We have a history of losses and we anticipate that our losses will continue in the future. As of September 30, 2001, we had an accumulated deficit of approximately $34.8 million. Since inception, the only calendar year during which we were profitable was 1995. We expect to continue to incur operating losses during 2001. Even if we do achieve profitability, we may be unable to sustain or increase profitability on a quarterly or annual basis in the future.

We face intense competition in our online services business. A large number of financial news and information sources compete for consumers' and advertisers' attention and spending. We expect this competition to continue and the number of competitors might increase. These competitors include:

o online services or web sites focused on business, finance and investing, such as CBS MarketWatch.com; The Wall Street Journal Interactive Edition; CNBC.com; CNNfn.com; TheStreet.com; Briefing.com; The Motley Fool; Yahoo! Finance; Silicon Investor; MSN Money Central; SmartMoney.com; Money.com; and Multex.com;

o web "portal" companies, such as Yahoo! and America Online; and

- online brokerage firms, many of which provide financial and investment news and information, such as Charles Schwab and E*TRADE.

Our ability to compete depends on many factors, including the originality, timeliness, comprehensiveness and trustworthiness of our content and that of our competitors, the ease of use of services developed either by us or our competitors and the effectiveness of our sales and marketing efforts and that of our competitors.

Many of our competitors have longer operating histories, greater name recognition, larger customer bases and significantly greater financial, technical and marketing resources than we do. This allows them to devote greater resources than we can to the development and promotion of their services and products, as well as adapting to rapid technological changes with regard to the Internet. In particular, future changes may evolve (for example, a rapid move to broadband or wireless technologies) which we may not be able to cope with in a timely manner. These competitors may also engage in more extensive research and development, undertake far-reaching marketing campaigns, adopt more aggressive pricing policies to attract Internet users and advertisers and make more attractive offers to existing and potential employees, outside contributors, strategic partners and advertisers. Our competitors may develop content that is equal or superior to our content or that achieves greater market acceptance than our content. It is also possible that new competitors may emerge and rapidly acquire significant market share. We may not be able to compete successfully for advertisers, Internet users, staff, outside contributors or strategic partners. Increased competition could result in price reductions, reduced margins or loss of our market share. Any of these could materially adversely affect our business.

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 22.2% of the common stock of the Company. Additionally, the following entities currently beneficially own the following amount of the common stock of the Company: Telescan, Inc., approximately 12.8%; American Financial Group, Inc., approximately 8.3%; and Reliance Financial Services Corporation, approximately 7.4%. 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, copyright and patent law, trade secret protection, confidentiality agreements, laws governing tortuous 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. applications for other trademarks. Effective trademark, copyright, trade secret and patent 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 marks, individualinvestor.com, Magic25(R), America's Fastest Growing Companies(R), Investor University(R) and Investment University(R). Additionally, we are somewhat dependent upon the ability to protect our proprietary content through the laws of copyright, unfair competition and other law. We cannot assure you, however, that the laws will give us meaningful protection.

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 online services. We could also be subject to claims based upon the content that is 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.