SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-KSB

[X] Annual report under Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended September 30, 1996, or

[ ] Transition report under Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____.

Commission File Number 0-10039.

DYNAMICWEB ENTERPRISES, INC.
(Name of Small Business Issuer in its Charter)

<TABLE>
<S> <C>

New Jersey	22-2267658
(State or Other Juris-diction of Incorporation)	(I.R.S. Employer Identification No.)

</TABLE>

Fairfield Commons
271 Route 46 West
Building F
Suite 209
Fairfield, New Jersey 07004
(Address of Principal Executive Offices)

Registrant's Telephone Number: (201) 244-1000

Securities registered under Section 12(b) of the Exchange Act:

<TABLE>
<CAPTION>

Title of Each Class	Name of Each Exchange on Which Registered
<S>	<C>
NONE	NONE

</TABLE>

Securities registered under Section 12(g) of the Exchange Act:

Common Stock, par value .0001 per share
(Title of Class)

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

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained herein, and no disclosure will be contained, to the best of registrant'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. [ ]
Issuer's revenues for fiscal year ended September 30, 1996: $460,067.

As of April 30, 1997, the aggregate market value of the Common Stock (based upon the average sales price on such date) of the Registrant held by nonaffiliates was $3,877,601.

Number of Shares of Common Stock Outstanding at April 30, 1997: 7,667,270.

Transitional Small Business Disclosure Format:

Yes ___ No X

PART I

ITEM 1. DESCRIPTION OF BUSINESS

BUSINESS DEVELOPMENT

DynamicWeb Enterprises, Inc. ("DynamicWeb" or the "Company") develops, markets and supports software products and other services that enable businesses to engage in electronic commerce utilizing the Internet.

The Company is a New Jersey corporation. It currently operates through three separate subsidiaries: DynamicWeb Transaction Systems, Inc., a Delaware corporation ("DWTS"), Software Associates, Inc., a New Jersey corporation

("Software Associates"), and Megascore, Inc., a Delaware corporation ("Megascore"). The acquisition by the Company of DWTS is described in the Company's Form 10-QSB dated June 30, 1996. The acquisition by the Company of each of Software Associates and Megascore is described in the Company's Form 8-K dated November 30, 1996. As a result of those transactions, the Company has combined the previously-separate operations of DWTS, Software Associates, and Megascore into a holding company.

Readers of this Report should note that the description of the Company's business contained in Item 1 of this Report reflects the present and planned operations of the Company as of the date of this Report, May 15, 1997. The description of the Company's business therefore reflects the combined operations of DWTS, Software Associates, and Megascore, even though Software Associates was not acquired until after the end of the Company's September 30, 1996, fiscal year. The Company believes that a description of the Company's business taking into account the combined operations of DWTS, Software Associates, and Megascore is more meaningful to an understanding of the Company than a discussion of the business of the Company as conducted prior to those acquisitions. Further, it should be noted that the financial information contained in Items 6 and 7 of this Report represent the combined operations of DWTS and Megascore for the two fiscal years ending September 30, 1996. The basis for such presentation is discussed in Note A to the financial statements contained in Item 7 of this Report.

Readers of this Report also should note that the description of the Company's business contained in this Report relate exclusively to the electronic commerce software and service business conducted through DWTS, Software Associates, and Megascore. Prior to March 26, 1996, however, the Company was named Seahawk Capital Corporation. Seahawk Capital Corporation had, from time to time, other operations having no relationship to the Company's present business and management. Those prior operations were disposed of the by the Company. Immediately prior to March 26, 1996, the Company conducted no operations. March 26, 1996, was the date upon which the Company acquired all or the outstanding stock of DWTS. The history of Seahawk Capital Corporation and the disposition of those other operations are more fully described in the Company's Form 10-KSB for the year ended December 31, 1995, and Form 8-K dated March 26, 1996.

BUSINESS

INTRODUCTION

The Company is engaged in the business of developing, marketing and supporting software products and other services that enable businesses to engage in electronic commerce utilizing the Internet and traditional Electronic Data Interchange ("EDI") technologies. The Company offers electronic commerce solutions in EDI and Internet-based transaction processing. The Internet is a worldwide

communications system that allows users to transmit and receive messages and information over telephone and other communications lines using terminals and computers.

Electronic commerce ("EC") involves the automation of business transactions using telecommunications and computers to exchange and process commercial information and transactional documents. EDI is the direct, application-to-application transmission of business documents such as purchase orders, invoices, and remittance advice. Businesses immersed in electronic commerce have found EDI to be a vital component of their enterprise. EDI differs, however, from more elementary forms of communication because it provides for truly integrated information flow. For example, manufacturers of goods can create electronic catalogues of their products and prices such that their customers will have the ability to electronically enter purchase orders and complete the purchase, payment and other documentation of a purchase transaction.

Electronic commerce has typically involved the use of a third-party or private value-added computer network ("VAN") to perform EDI, e-mail, electronic funds transfer, electronic forms, and bulletin board and electronic catalogue services. Users of private or third-party VANs may also have access through the VAN to directories or on-line information services. The major operators of VANS include Harbinger Corporation, General Electric, Sterling Commerce's Ordernet, IBM/Advantis, AT&T and Kleinschmidt. A VAN is, in effect, an electronic post office which electronically receives and delivers mail, in this case commercial documents, to the intended recipient. The Company's products and services work with all major value-added network providers.

EDI can create commercial advantages for its users, including one-time data entry, reduced clerical workload and the elimination of paper records. EDI also allows for the rapid, accurate and secure exchange of business data, and reduced operating and inventory carrying cost. EDI facilitates uniform communications with different trading partners, including customers, suppliers, common carriers, and banks or other financial institutions.

The Company's present business strategy emphasizes the following types of markets and customers:

- EDI-enabled suppliers of goods, such as manufacturers, that want to engage in electronic commerce with customers which are not EDI-enabled.

- EDI-enabled purchasers, such as retailers or distributors of goods, that want to engage in electronic commerce with their suppliers which are not EDI-enabled.

- Any businesses that want to engage outside service providers to manage or to assist in the management of their EDI function.

- Businesses or groups of businesses that want to create "electronic storefronts" for goods and services on the World Wide Web. (The "World Wide Web" or "Web" is a series of computers called servers, which allow individuals, groups and businesses to publish information over the Internet to the general public. There are now some interactive applications allowing the public to respond or leave a message for the entity which publishes the information on the Web (the "Web Page" or "Web Site").)

The Company has five principal software and service packages for those markets and customers:

EDIBRIDGENET SERVICE (SM) - This is the name of DynamicWeb's electronic commerce service bureau. EDIbridgeNET is a service provided by the Company that allows for the transfer of information between trading partners. The service includes EDI mapping (substantive translation of data which preserves the meaning and substance of the data), and the translation and routing of business documents between third party EDI (VAN) networks, the Internet and private computer networks of the parties to the business transaction. Generally referred to as "EDI outsourcing", this service offers businesses cost-effective alternatives to investing in an in-house EDI System. The Company's clients can opt for EDI outsourcing through EDIbridgeNET Service, allowing DynamicWeb to handle EDI mapping, translation and EDI standards maintenance.

NETCAT(TM): This is the Company's software program which allows a seller of goods to create an electronic catalogue on the World Wide Web to offer and sell products electronically. NetCat allows a customer to browse through the catalogue, to place an order, and to be billed for, or to pay for, the order (through the use of Cybercash, a third-party credit card verification software licensed to the Company). This process is sometimes referred to as "order management." It is expected to be utilized predominantly in a business-to-business context. NetCat is used as part of the Company's EDIxchange Program.

EDIXCHANGE PROGRAM(SM) - This is a combination of the Company's EDIbridgeNET service and NetCat software. The EDIxchange Program provides a seamless and cost effective way for EDI-enabled suppliers or retailers to conduct electronic commerce with their non-EDI trading partners. EDIxchange bridges the Internet with traditional EDI networks such as VANs by using the Company's service bureau, EDIbridgeNET. Combined with NetCat, the Company's order management software described above, this product allows businesses which do not have in-house EDI capability to communicate electronically with their larger, EDI-enabled business partners, using only Internet access and a standard Web browser (a Web browser, such as Netscape or Internet Explorer, allows Internet users to access various Web Sites on the Internet).

SHIPTRAC(TM) - ShipTrac is the Company's Windows-based software application designed for manufacturers and suppliers of goods. It electronically creates a shipping manifest or list of products that are being shipped to a particular customer or distribution center. ShipTrac receives an electronic purchase order into a database, and a client then can print bar-coded shipping compliance labels. The system generates EDI standard advanced shipping notice documents (the manifest) which are sent electronically to a supplier's customers. When the goods are received, the bar codes on the products can be verified against the advanced shipping notice which has been electronically forwarded by ShipTrac.

ELECTRONIC COMMERCE (EC) INTERFACE SOFTWARE FOR ACCOUNTING SYSTEMS - DynamicWeb has developed application interface modules for two mid-range accounting software systems, RealWorld and Synchronics. Designed for businesses using those systems, the EC Interface allows a business to import and export business documents electronically from those software applications. Generally, the Company sells this product through distributors of the Real World and Synchronics software.

ELECTRONIC COMMERCE AND ELECTRONIC DATA INTERCHANGE

Some aspects of electronic commerce ("EC") and electronic data interchange ("EDI") are discussed below:

TRADING COMMUNITIES. Groups of companies that regularly trade with each other generate significant repetitive business transactions. These existing trading communities are natural prospects for implementation of EDI. Certain trading communities are defined by trading standards, protocols, rules or procedures adopted through trade organizations. The adoption of EDI as an accepted means of transmitting business documents and data has occurred, in part, because many trade organizations or groups and many large companies within a trading community increasingly recommend or require their member organizations or trading partners to adopt and use EDI as the primary method of communicating business documents. Large companies within a trading community often are described as "hubs" and their trading partners as "spokes." A hub company and its trading partners communicate through electronic networks, generally either third party networks or a private network owned and operated by the hub company. Hub companies decide to implement EDI generally for one or more of the following reasons:

- To enable a reduction in inventories by reducing the time required to notify vendors and replenish stocks.

- To reduce the administrative handling costs of documents that they send or receive from their suppliers or customers.

- To improve customer support and service levels by eliminating data entry errors.

For the above stated reasons, a hub company often adopts as a stated business objective that all of its trading partners use EDI as the principal means of transferring business documents. Spoke companies, in turn, often expand the electronic commerce community by also requesting or requiring their trading partners to transmit business documents using EDI. This expanding number of trading partners adopting EDI results in the establishment of distinct trading communities comprising potential software customers and network subscribers for EDI services.

EDI TRANSACTION FLOW. In a typical EDI transaction, a trading partner (the "sending partner") first creates with its computer, either manually or electronically, the business data used for the completion of a particular set of documents, described by EDI standards as a transaction set. Transaction sets include requests for quotes, quotes, purchase orders, invoices, shipping notices, and other related documents and messages. Second, a translation software program on the sending partner's computer converts the document or transaction set into a standard EDI format. Third, this information is electronically transmitted through telecommunications links from the sending partner's computer to either the receiving partner's computer or to a central computer system (similar to a mailbox at a post office) that serves as a value-added network shared by many trading partners. Value-added networks receive documents for subsequent delivery to the intended trading partner (the "receiving partner"), and connect many types of computer hardware and communications devices, convert multiple transaction sets from one industry standard to another, and maintain security by reducing the possibility of one trading partner accessing another's computer. EDI partners use VAN services because it eases the burden of having to install and maintain communication configurations for each trading partner. The connection to a VAN is a single connection no matter how many trading partners the recipient has. The VAN "normalizes" the issues of protocols, time zones, hardware and software differences in that all participants in the EDI transaction do not have to have the same software applications or hardware.

EDI INDUSTRY STANDARDS. EDI has been further promoted through the adoption of EDI standards within various industries. These standards define the content and format of business documents, such as the data required to be included in purchase orders, invoices, shipping notices, and other business documents. Before these standards were adopted, electronic document transmission was based on proprietary formats agreed to by two trading partners. However, incompatible computer systems and differing proprietary formats limited widespread adoption of EDI.

EXISTING VAN SERVICES. The Company does not operate a VAN and does not intend to operate a VAN for the foreseeable future. The Company's products and services are designed both to interface with existing VAN's and also to operate without a VAN (point to point EDI over the Internet without the need for a VAN as a midpoint) thereby permitting EDI-enabled trading partners to conduct electronic commerce with their non-EDI-enabled trading partners.

The major operators of VANs include Harbinger Corporation, GE, Sterling

Commerce Ordernet, IBM/Advantis, AT&T and Kleinschmidt. The Company's products and services work with all major VAN providers.

INTERNET STRATEGY

One of the Company's principal strategies is delivering electronic commerce solutions to business customers, which utilize the Internet. The Company's Internet strategy focuses on using the Internet to complement existing VANs and proprietary EDI networks, or possibly to replace the use of VANs and proprietary EDI networks with point to point EDI over the Internet. The Company believes that EDI-enabled companies can reach a much wider range of their trading partners by using an Internet-based approach, as a result of the increasing availability and general use of the Internet and the cost advantages of an Internet-based approach over VANs and proprietary EDI networks. The success of that strategy will depend, among other things, upon the Internet becoming an accepted vehicle for electronic commerce and communication among businesses.

The Internet is an interconnected global network of computer networks linked together through a common protocol. Unlike other public telecommunications networks, the Internet is not managed by a single corporation, government agency or other entity. The market for software to access the Internet and related services is rapidly emerging and standards and technologies for communicating information over the Internet are constantly evolving. Businesses can exchange documents and electronic mail, access a wide range of commercial information, and establish a presence on the World Wide Web. The Web is the part of the Internet where information and documents reside in a standard format thereby enabling them to be easily displayed and linked for access by other Internet users on the Web. By using a special programming language called hypertext markup language (HTML), a user can establish a presence on the Web known as a Web Page or Home Page and can link with other users of the Web. To date, the Internet has not been accepted as a medium for processing routine business transactions between organizations, in part due to perceived or actual security and reliability issues.

CUSTOMERS AND MARKETS

EDI has been used since the mid-1970's. Nevertheless, the Company believes that the electronic commerce market is still in its early stages, in that relatively-few companies engage in EC. The Company believes that a significant barrier for businesses to join the electronic commerce network has been the cost of maintaining standard translation software, host system modifications, dedicated proprietary VANs, and resources required to maintain EDI. The industry, and more importantly, EDI-enabled suppliers and

retailers, have continued to look for solutions to lower existing EDI-related costs, while at the same time spawn increased EDI utilization.

To date, the Company has had a limited number of customers using these new EDI/Internet technologies. The types of customers the Company intends to focus on are discussed below.

THE EDI-ENABLED SUPPLIER. The Company believes that a significant number of suppliers now using EDI would like to increase the utilization of EDI with their customers. However, a significant investment in hardware and software at each customer location is required in the proprietary equipment and software necessary for a customer to link with the supplier either directly or through a VAN. A smaller customer may not have the resources to make such an investment, or the investment may not be cost-justified based upon the customer's transaction volume with the supplier.

The Company's EDIxchange Program Suite provides a cost-effective solution for this situation. The Company can assist the supplier to create a secure Web-enabled Internet site with an electronic system for customer orders and development of an electronic catalog by use of NetCatTM, all using the supplier's existing EDI system and documents. The system will allow non-EDI customers to view the supplier's product catalogs, place orders on-line, and send an EDI Standard purchase order to the supplier. The customer will need only Internet access and a Web browser to engage in those transactions.

THE HUB MODEL. The Hub Model is similar to the EDI-Enabled Supplier Model, but is targeted at the purchaser rather than the supplier. The Company believes that a significant number of wholesalers and retailers which are now using EDI would like to increase the utilization of EDI with their suppliers, primarily by reaching its smaller supplier with a cost-justified mechanism for electronic commerce transactions.

In the Hub Model, the Company's EDIxchange Suite can be configured for a retailer, effectively reversing the functions of the Supplier Model described above. The Company can assist the retailer or other purchaser to create a secure Web-enabled Internet site with NetCat again using the purchaser's existing EDI system and documents. The system will allow non-EDI suppliers to receive

purchase orders electronically using only a Web browser and Internet access.

THE ELECTRONIC COMMERCE SERVICE BUREAU. The Company believes that a significant number of businesses may want to "outsource" all or a part of their electronic commerce functions. This market includes presently EDI-enabled businesses, as well as businesses that do not presently conduct electronic commerce. That is one of the services historically provided by Software Associates, Inc. and which the Company intends to market. Using Software Associates' experience in that area, combined with the Company's software products, the Company offers its services as an EC Service Bureau through its EDIbridgeNET Program.

SUPPLIERS REQUIRED TO SEND ADVANCE SHIPPING NOTICES. ShipTrac will be marketed to EDI-capable suppliers, which become mandated by their customers to use UCC128 bar-coded shipping labels and to send EDI standard documents such as advance ship notices. This process is complex and cumbersome for suppliers to integrate into their existing systems, and the Company believes ShipTrac will reduce the complexity for implementing this requirement and complying with the requests of such trading partners.

BUSINESSES USING REALWORLD OR SYNCHRONICS ACCOUNTING SYSTEMS. A significant number of businesses use the Real World or the Synchronics accounting systems, but are not EDI capable. Those businesses can easily use the Company's existing products to begin electronic commerce.

To date, the above target markets are undeveloped and largely untested. Due to the limited sales by the Company to date, there can be no assurance as to the degree, if any, that these markets and target customers will develop generally or will be receptive to the Company's products and services.

SALES AND MARKETING

The Company's goal is to establish and expand the number of trading partners using the Company's service bureau and complimentary electronic commerce software solutions. To reach this goal, the Company plans to market and sell its electronic commerce business solutions to enterprises which are EDI-capable, and which lack EDI compliance with their trading partners. Additionally, the Company will focus its marketing efforts for EDI outsourcing to EDI-capable suppliers, which typically have a backlog in their management information system ("MIS")/EDI group, and have an immediate need to respond to customers' requests.

IDENTIFY KEY BUSINESS PARTNERS - DynamicWeb has introduced its Business Partners Program to establish alliances between the Company and key business partners who specialize in business automation and electronic commerce. Those key business partners are expected to be VANs, EDI software companies, EC consultant groups, Web content developers, business re-engineering consultants, and accounting software providers. See "Strategic Relationships" below.

The objective of the Business Partners Program is to integrate the Company's products and services with those of its business partners and to promote Company services along with products and services sold by its business partners.

EXPAND MARKETING AND SALES EFFORTS NATIONALLY - As of March 1, 1997, the Company employs five people in sales and marketing, two of whom directly sell the Company's software and services. Compensation to sales personnel is in the form of a base salary and commissions. To reach a broader market, the Company plans to expand the number of sales people it employs.

Lead generation and advertising will focus on national electronic commerce/EDI trade shows, journal advertisements in national electronic commerce publications, and public speaking engagements in EDI/Internet forums. The Company will also evaluate which industry specific trade shows/journals to participate in. The Company will be joining national electronic commerce/EDI trade groups such as CommerceNet and DISA, which represent both users and providers of EDI-related services.

Expansion of sales efforts will be implemented in stages, as market trends indicate acceptance of the emerging electronic commerce marketplace and as the Company's capital availability allows.

STRATEGIC RELATIONSHIPS

Since October, 1996, the Company has entered into co-marketing and strategic alliances with the following companies:

EMJ ("EMJ"), Apex, North Carolina. EMJ is an Internet Web content developer working with many large businesses in the Raleigh/Durham Research Triangle Park area. DynamicWeb was chosen as the exclusive Internet-EDI solution provider for EMJ Internet. EMJ Internet is a division of EMJ America, a $150 million (sales) computer hardware and software distributor.

ER Enterprises ("ER"), Columbus, Ohio. ER is an EDI consulting group that assists retailers in implementing electronic commerce strategies. ER Enterprises is a sales agent for the Company's EDI outsourcing and Internet-EDI solutions.

AFTEC Corporation ("AFTEC"), Livingston, New Jersey. AFTEC, the developer of a manufacturing and distribution software package, will build an electronic commerce interface into their application and offer DynamicWeb's Service Bureau as a turnkey EC solution for their clients.

ID2000 ("ID2000"), Berlin, New Jersey. ID2000 is a management information consulting firm offering turnkey information systems solutions to its clients. ID2000 is a sales agent for the Company's electronic commerce solutions.

PRODUCT DEVELOPMENT

The Company presently has several product development initiatives. One initiative involves "point-to-point EDI." This technology would permit electronic document interchange directly over the Internet, avoiding altogether a VAN. The Company is working on modifications to the NetCat software and the EDIxchange system to permit the point-to-point EDI.

Another initiative involves an upgrade of NetCat to a "Version 3.0." Presently, NetCat can use only ASCII files and HTML. The Company is working on making NetCat compatible with SQL databases (such as Oracle and Sybase), which would allow NetCat to function with a larger group of customer databases. Also, the Company is working on making NetCat compatible with the Adobe Acrobat reader, which would allow NetCat to create a wider variety of graphics.

Another initiative involves an upgrade of the Company's EDIxchange program suite to permit the creation of an "Integrated UPC Catalogue." Presently, under the Company's EDIxchange program suite, as utilized in the Hub Model, the Hub company/purchaser is required to input manually its suppliers' catalogues on the Hub company's Web Site. The Company is working on an upgrade to that software under which the suppliers would maintain their own catalogue information, including the UPC (Universal Product Code) information, electronically on the Hub company's Web Site, thus permitting the Hub company to browse that database or catalogue for purchasing.

Another initiative involves the upgrade of the Company's EC Interface Software for Accounting Systems. Presently, the Company's version of that software allows for the electronic import and export of business documents from RealWorld and Synchronics accounting systems only. The Company is working on an upgrade which would permit interface with other accounting systems. The new product would be Windows-based and would function with the Company's EDI service bureau EDIbridgeNET.

The Company's final major initiative at present involves an upgrade of the Company's EDIbridgeNET communications network. Presently, the Company administers its own communications network relating to EDIbridgeNET, such as the modems and other hardware necessary to communicate with its EDI customers. The Company is evaluating the feasibility of outsourcing that core communication function to a telecommunications company.

Each of the foregoing product development initiatives is subject to risk. The Company cannot predict when any of them would be completed, if at all. There is no assurance that the Company will develop successfully or in a cost-effective manner any of the products or product enhancements discussed, or that they will find market acceptance if developed.

COMPETITION

The electronic commerce and EDI network services and computer software markets are highly competitive. Aside from the Internet, numerous companies supply electronic commerce network services, and several competitors target specific vertical markets such as the pharmaceutical, agribusiness, retail and transportation industries. Competitors provide software designed to facilitate electronic commerce and EDI communications. Existing VANs provide network services and related software products and services. Other competitors provide PC-based computer programs and network services specifically targeted to facilitate electronic banking transactions. These competitors include banks and financial institutions that operate privately-owned computer networks that link directly to their commercial customers. The Company believes that many of its competitors have significantly greater financial and personnel resources than the Company.

Competition from Internet-based competitors is also significant. The market for Internet software and services is emerging and highly competitive, ranging from small companies with limited resources to large companies with substantially greater financial, technical and marketing resources than the

Company. The Company believes that existing competitors are likely to expand the range of their electronic commerce services to include Internet access, and that new competitors, which may include telephone companies and media companies, are likely to increasingly offer services which utilize the Internet to provide business-to-business data transmission services. A group of computer companies including some competitors of the Company, and the Company itself, have formed Commerce Net, a business entity which has announced an intention to explore the use of the Internet for commercial applications. Additionally, several competitive network service providers allow their subscribers access to the Internet, and several major software and telecommunications companies, including Sprint, MCI, AT&T and Microsoft, either have or are expected to have Internet access services. Similarly, the major on-line service companies, such as America On-Line, Compuserve and Prodigy, also offer Internet services and are expected to enhance the services in the future to include certain aspects of electronic commerce. If the Internet becomes an accepted method of electronic commerce, the Company could lose network customers which would reduce recurring revenue from network services and have a material adverse effect on the Company.

COMPETITIVE STRATEGY

The Company's competitive strategy is to offer electronic commerce solutions using Internet and EDI technology through designs that can be customized to fit a customer's specific needs.

The Company intends to apply its Internet and EDI technology products, its development efforts, and its marketing efforts, at the "application layer" of electronic commerce. The application layer addresses the customers' immediate need to work with product catalogues and receive useful business documents. The application layer is distinguished from the "core" or "infrastructure" layer, which addresses formatting of EDI documents, communications, data encryption, and other basic elements of transmitting an EDI document over the Internet. At the application layer, one assumes that a properly-formatted EDI document can be securely transmitted over the Internet.

The Company intends to avoid competing at the EC core or basic infrastructure technology layer. In that regard, it does not intend to compete in technical and product categories such as encryption and authentication schemes, secure transport methods, EDI mailboxing services, secure browsers and servers, or low-level communication protocols.

Further, the Company intends to market products that require the EDI trading partners to have only a standard Web browser with "standard" plug-ins (like Adobe Acrobat and Sun's Java). The Company will centralize EDI translation and mapping from its application interface to the EDIbridgeNet outsource service bureau.

DynamicWeb intends to differentiate itself in the marketplace for Internet/EDI solutions with NetCat. The Company believes that its existing competition currently offers generic, form-based software solutions with limited functionality. In contrast, EDIxchange provides both product catalog and order management. When combined with the Company's service bureau, the Company can offer customers a complete, turnkey electronic commerce solution.

There can be no assurance that the Company will be successful in its effort or that it will not be materially adversely affected by competitive factors.

INTELLECTUAL PROPERTY RIGHTS

The Company relies primarily on a combination of copyright, patent and trademark laws, trade secrets, confidentiality procedures and contractual provisions to protect its proprietary rights. Despite the Company's efforts to protect its proprietary rights, unauthorized parties may attempt to copy aspects of the Company's products or to obtain and use information that the Company regards as proprietary. There can be no assurance that the Company's means of protecting its proprietary rights will be adequate or that competitors will not independently develop similar or superior technology. The Company believes that, due to the rapid pace of innovation within the electronic commerce, EDI and related software industries, factors such as the technological and creative skills of its personnel are more important in establishing and maintaining a leadership position within the electronic commerce industry than are the various legal protections of its technology. The Company does not believe that any of its products infringe the proprietary rights of third parties. There can be no assurance, however, that third parties will not claim infringement by the Company with respect to current or future products. From time to time, the Company has received notices which allege, directly or indirectly, that the Company's products or services infringe the rights of others. The Company generally has been able to address these allegations without material cost to the Company. The Company expects that software product developers will increasingly be subject to infringement claims as the number of products and competitors in electronic commerce grows and the functionality of products in different industry segments overlaps. Any such claims, irrespective of their

merit, could be time-consuming, result in costly litigation, cause product shipment delays or require the Company to enter into royalty or licensing agreements, or prevent the Company from using certain technologies. Such royalty or licensing agreements, if required, may not be available on terms acceptable to the Company or at all, which could have a material adverse effect on the Company.

GOVERNMENTAL REGULATIONS AND INDUSTRY STANDARDS

The Company's network services are transmitted to its customers over dedicated and public telephone lines. These transmissions are governed by regulatory policies establishing charges and terms for communications. Changes in the legislative and regulatory environment relating to on-line services, EDI or the Internet access industry, including regulatory or legislative changes which directly or indirectly affect telecommunication costs or increase the likelihood of competition from regional telephone companies or others, could have an adverse effect on the Company's business. The Telecommunications Act of 1996 amended the federal telecommunications laws to lift restrictions on regional telephone companies and others competing with the Company and to impose certain restrictions regarding obscene and indecent content communicated to minors over the Internet or through interactive computer services.

The Telecommunications Act of 1996 imposes fines and other criminal liability on any entity that knowingly uses a telecommunications device or interactive computer service to send obscene or indecent material to minors or permits any telecommunications facility under such entity's control to be used for such a purpose. Litigation has been filed in federal court challenging the constitutionality of those provisions of the Act. A temporary restraining order has been issued by a federal court enjoining the US Attorney General from enforcing the Act's "indecency" prohibition. The Company cannot predict the impact, if any, that this Act and future court opinions, legislation, regulations or regulatory changes may have on its business. Management believes that the Company is in compliance with all material applicable regulations.

The Company has not adopted a specific intention with respect to compliance with ISO 9000 standards for software development and maintenance services. The Company does not believe that failure to adopt ISO 9000 compliance has had, or in the future will have, a material adverse effect on its business. However, the Company will continue to assess ISO 9000.

EMPLOYEES

As of April 30, 1997, the Company had 17 full-time employees, of whom approximately 6 are technical personnel engaged in maintaining or developing the Company's products or performing related services, approximately 5 are marketing and sales personnel, approximately 3 are customer support and operations personnel, and approximately 3 are involved in administration and finance.

EXECUTIVE OFFICERS

The executive officers of the Company and their ages as of April 30, 1997, are as follows:

<TABLE>
<CAPTION>

NAME	AGE	POSITION
<S>	<C>	<C>
Steve L. Vanechanos, Jr.(1)	43	Chairman of the Board, Chief Executive Officer
Steve Vanechanos, Sr.(1)	67	Director, Treasurer and Secretary
Kenneth R. Konikowski	50	Director and Executive Vice President

</TABLE>

(1) Mr. Vanechanos, Sr. is the father of Mr. Vanechanos, Jr.

STEVE L. VANECHANOS, JR. became President and Director of the Company on March 26, 1996. He has been President of DynamicWeb Transaction Systems, Inc. since its inception in 1995. He also was a founder of Megascore, Inc. in 1981. He has a Bachelor of Science in Finance and Economics from Fairleigh Dickinson University, Rutherford Campus.

STEVE VANECHANOS, SR. became Secretary, Treasurer and Director of the Company on March 26, 1996. He was a founder of Megascore, Inc. in 1981 and DynamicWeb Transaction Systems, Inc. in 1995. He attended Newark College of Engineering in Newark for two years. He continued his education with certifications from PSI Programming Institute in New York City and with courses in principles of accounting at ABA Institute, Hudson County Chapter.

KENNETH R. KONIKOWSKI became a Director and the Executive Vice President of the Company on November 1, 1996. Prior to that date, Mr. Konikowski was President of Software Associates.

INVESTMENT CONSIDERATIONS

The following factors are important and relevant considerations in evaluating the business of the Company and a potential investment in the Company's securities.

LIMITED OPERATING HISTORY; NO ASSURANCE OF SUCCESSFUL OPERATIONS. The Company has only a limited operating history upon which an evaluation of the Company and its prospects can be based. The Company has incurred net losses and no assurance can be made that the Company will become profitable in the near future, if at all. The Company's prospects are subject to all of the risks encountered by a company in an early stage of development, particularly in light of the uncertainties relating to the new and evolving markets in which the Company intends to operate. To address these risks, the Company must, among other things, further develop supporting software from third parties or develop such software; commercially offer its services; successfully implement its marketing strategy; respond to competitive developments; attract, retain and motivate qualified personnel; and develop, upgrade, and protect its technology. No assurance can be given that the Company will succeed in addressing any or all of these issues and the failure to do so would have a material adverse effect on the Company's business, prospects, financial condition and operating results.

ANTICIPATED LOSSES. The Company anticipates realizing only limited revenue for the foreseeable future. The Company's ability to generate meaningful revenue thereafter is subject to substantial uncertainty. The Company anticipates that its operating expenses will increase substantially in the foreseeable future as it further develops its technology and attempts to market its services, increases its marketing activities, creates and expands the distribution channels for its services and broadens its customer support capabilities. Accordingly, the Company expects to incur losses for the foreseeable future. No assurance can be given that the Company's services will be developed, marketed, expanded, or rendered successfully or on a timely basis, if at all, or that the Company will be successful in obtaining market acceptance of its services. No assurance can be given that the Company will ever be able to achieve or sustain operating profitability.

NEED FOR SUBSTANTIAL ADDITIONAL CAPITAL. During April of 1997, the Company raised $600,000 in gross proceeds through the private placement of units composed of promissory notes and Common Stock. The proceeds from that offering are expected to permit the Company to operate only through June 30, 1997. The Company anticipates only limited revenues will be available to fund its operations without substantial additional capital. Further, although the Company has signed a Letter of Intent with an underwriter for a proposed $6,000,000 public offering of Common Stock, there can be no assurance that the public offering will be successfully completed, if at all, or that the Company will receive adequate financing from the proposed public offering. The Company has no other current options to fund its continued existence in the event the public offering does not occur or does not occur within a reasonable time. If the proposed public offering does not occur on a timely basis, the Company may be unable to fund its business plan and may be forced to cease to operate. The auditor's opinion to the financial statements of the Company included at Item 7 of this Report have been prepared assuming the Company will continue as a going concern.

CONTROL BY EXISTING MANAGEMENT. As of April 30, 1997, the existing management of the Company controls approximately 59% of the shares of Common Stock eligible to vote and will therefore be able to elect all of the members of the Board of Directors and control the outcome of any issues which may be subject to a vote of the Company's stockholders.

PUBLIC MARKET FOR COMPANY'S COMMON STOCK. Some portion of the Company's Common Stock currently trades on the NASD's OTC Bulletin Board. See "Common Stock Eligible for Resale," below. If the Company proceeds with the planned public offering, the Company intends to apply to list the Common Stock on the NASD's Small Cap Market. There can be no assurance that a market for the Common Stock will develop or be sustained. The investment community could show little or no interest in the Company in the future. As a result, purchasers of the Company's securities may have difficulty in selling such securities should they desire to do so. Further, if the proposed public offering is not consummated, the interest of the investment community in the stock is likely to be reduced and purchasers may be unable to sell their securities.

COMMON STOCK ELIGIBLE FOR RESALE. Of the 7,667,266 shares of Common Stock

presently outstanding, over 7,000,000 shares are "restricted securities" and under certain circumstances may be sold in compliance with Rule 144 adopted under the Securities Act. Future sales of such shares are likely to depress the market price of the Company's Common Stock, which would have an adverse effect on the value of the securities included in the Units.

EARLY STAGE OF MARKET DEVELOPMENT; UNPROVEN ACCEPTANCE OF THE COMPANY'S PROPOSED PRODUCTS AND SERVICES. Most of the Company's services are designed to facilitate electronic commerce. A major focus of the Company's products and services is the Internet, which is a worldwide communications system that allows users to transmit and receive messages and information over telephone and other communications lines using terminals or computers. See "Dependence on the Internet and on Internet Infrastructure Development," below. The market for the Company's services is at an early stage of development, is evolving rapidly, and is characterized by an increasing number of market entrants who have introduced or are developing competing products and services. As is typical for a new and rapidly evolving industry, demand and market acceptance for recently introduced products and services are subject to a high level of uncertainty. Market acceptance will depend, in large part, upon the ability of the Company to demonstrate the advantages and cost effectiveness of its products over existing products. There can be no assurance that the Company will be able to market its products successfully or that its current or future products will be accepted in the marketplace. As a result of the Company's recent introduction of its products into the market and their limited use to date, there can be no assurance that those products will achieve market acceptance or will produce substantial revenues.

DEPENDENCE ON THE INTERNET AND ON INTERNET INFRASTRUCTURE DEVELOPMENT. The use of the Company's services is dependent upon the continued development of an industry and infrastructure for providing Internet access and carrying Internet traffic. The commercial market for products and services for use with the Internet and the World Wide Web has only recently begun to develop. The Internet may not prove to be a viable commercial marketplace or communications network because of many factors, including inadequate development of the necessary capacity, a reliable network, acceptable levels of security or timely development of complementary products, such as high speed modems. Further, there can be no assurance that the Internet will retain its current pricing structure, which is flat-rate, independent of volume, and independent or the time of day.

The adoption of the Internet for commerce and as a means of communication, particularly by those individuals and enterprises that historically have relied upon traditional means of commerce and communication, will require a broad acceptance of new methods of conducting business and exchanging information. Enterprises that already have invested substantial resources in other methods of conducting business may be reluctant or slow to adopt a new strategy that may limit or compete with their existing business. Individuals with established patterns of purchasing goods and services and effecting payments may be reluctant to alter those patterns.

Thus far, significant commercial use of the Internet has not developed, in part, because of the lack of security and verification processes. Although the Company's products have been designed to address security and verification issues, there can be no assurance that widespread commercial use of the Internet for electronic commerce will develop, or that even if such use does develop, that the Company's products will achieve market acceptance. If the Company's market fails to develop or develops more slowly than expected, or if the infrastructure for the Internet is not adequately developed or the Company's services do not achieve market acceptance by a significant number of individuals and businesses, the Company's business, financial condition, prospects and operating results will be materially and adversely affected. See "BUSINESS - Electronic Commerce and Electronic Data Interchange" and "Risks Associated with Encryption Technology."

RELIANCE ON LIMITED NUMBER OF PRODUCTS. The Company expects that substantially all of the Company's revenues will be derived from its EDIxchange product and service, its EDIbridgeNet service, and (to a lesser extent) its NetCat product. If these products are not successful, whether as a result of technological change, competition or any other factors, the Company's business, results of operations and financial condition would be adversely affected. The Company presently has no plans to develop or produce additional products in the foreseeable future.

DEVELOPMENT OF NEW SERVICES, INDUSTRY ACCEPTANCE AND TECHNOLOGICAL CHANGE. A substantial portion of the Company's anticipated revenue will be derived from fees charged to businesses and individuals for transactions effected through the Company. Accordingly, broad acceptance of the Company's services by these businesses and individuals is critical to the Company's success. Further, the Company will likely be required to design, develop, test, introduce and support new services and enhancements on a timely basis that meet changing customer needs and respond to technological developments and emerging industry standards. The market for the Company's proposed services is characterized by rapidly changing technology and evolving industry standards. The Company's proposed

services are designed around certain technical standards with respect to data encryption; and therefore current and future sales of the Company's services will be dependent on industry acceptance of such standards. While the Company intends to provide compatibility with the standards promulgated by leading industry participants and groups, widespread adoption of a proprietary or closed standard could preclude the Company from effectively marketing or developing its products or services. No assurance can be given that the Company's services will achieve market acceptance; that the Company will be successful in developing and introducing its proposed services or new services that meet changing customer needs; that the Company will be able to respond to technological changes or evolving industry standards in a timely manner, if at all; or that the standards upon which the Company's services are or will be based will be accepted by the industry. In addition, no assurance can be given that services or technologies developed by others will not render the Company's services noncompetitive or obsolete. Those could include the elimination or replacement of EDI. The inability of the Company to respond to changing market conditions, technological developments, evolving industry standards or changing customer requirements, or the development of competing technology or products that renders the Company's services noncompetitive or obsolete, would have a material adverse effect on the Company's business, financial condition, prospects and operating results. See "BUSINESS - Marketing and Sales."

RISKS OF DEFECTS AND DEVELOPMENT DELAYS. The Company has not sold a material amount of its services or products. Services based on sophisticated software and computing systems often encounter development delays and the underlying software may contain undetected errors or failures when introduced or when the volume of services provided increases. The Company may experience delays in the development of the software and computing systems underlying the Company's proposed products and services. In addition, there can be no assurance that, despite testing by the Company and potential customers, errors will not be found in the underlying software, or that the Company will not experience

development delays, which could result in delays in the market acceptance of its services and could have a material adverse effect on the Company's business, financial condition, prospects and operating results.
See "BUSINESS - Product Development."

COMPETITION. The EDI market is intensely competitive and subject to rapid technological change, evolving industry standards and regulatory developments. The Company does and will compete with many companies that have substantially greater financial, marketing, technical and human resources than the Company. The principal competitors in EDI and in the delivery of EDI over the Internet are, at present, Harbinger Corporation, Sterling Commerce and GEIS, each of which has announced plans to design and develop software products and to provide services that facilitate electronic commerce over the Internet. Virtually all of the Company's current and potential competitors have longer operating histories, greater name recognition, larger installed customer bases and significantly greater financial, technical and marketing resources than the Company. Such competitors may be able to undertake more extensive marketing campaigns, adopt more aggressive pricing policies and make more attractive offers to potential customers. In addition, many of the Company's current or potential competitors, such as Netscape, Microsoft and AT&T have broad distribution channels that may be used to bundle competing products directly to end-users or purchasers. If such competitors were to bundle products that compete with the Company for sale to their customers, the demand for the Company's services may be substantially reduced, and the ability of the Company to broaden the utilization of its services would be substantially diminished. No assurance can be given that the Company will be able to compete effectively with current or future competitors or that such competition will not have a material adverse effect on the Company's business, financial condition, prospects and operating results. See "BUSINESS - Competition."

NEW MARKET ENTRANTS. In addition to existing competitors, there are many companies that may enter the market in the future with new technologies, products and services that may be competitive with services offered or to be offered by the Company. Because there are many potential entrants to the field, many of which are likely to have substantially greater resources than the Company, it is extremely difficult to assess which companies are likely to offer competitive products and services in the future, and in some cases it is difficult to discern whether an existing product or service is competitive with the Company's services. The Company expects competition to persist and intensify in the future. If the market becomes congested with competition, the Company may not be able to compete in its intended marketplace, if at all.

DEPENDENCE ON THIRD-PARTY INTELLECTUAL PROPERTY RIGHTS. The Company currently licenses certain proprietary and patented technology from third parties. All of the Company's planned services incorporating data encryption and authentication is based on proprietary software of RSA Data Security ("RSA") incorporated in certain other software from Community Creations related to the Web server utilized by the Company, which is available on a non-exclusive basis. No assurance can be given that the encryption software presently available to the Company will continue to be available to the Company on commercially

reasonable terms, or at all. Additionally, there is no assurance that if a new encryption technology develops, that it will be available to the Company on commercially acceptable terms, if at all.

The Company also licenses Gentran software from Sterling Commerce. Gentran is EDI translator software which translates electronic documents for Standard EDI format to a more useful form. This is licensed on a non-exclusive basis. No assurance can be given that Gentran will continue to be available to the Company on commercially reasonable terms, or at all, although there is other commercially available EDI transfer software. The lack of availability of EDI translator software could have a material adverse effect on the Company's business, financial condition, prospects, and operating results.

The Company also licenses Cybercash software, which is credit card verification software, on a non-exclusive basis. No assurance can be given that Cybercash will continue to be available to the Company on commercially reasonable terms, or at all. The lack of availability of credit card verification software could have a material adverse effect on the Company's business, financial condition, prospects, and operating results.

No assurance can be given that the Company's third party licenses will continue to be available to the Company on commercially reasonable terms, or at all. The loss of or inability to maintain any of those software licenses could result in delays in introduction of the Company's services until equivalent software, if available, is identified, licensed and integrated into the Company's planned services, which could have a material adverse effect on the Company's business, financial condition, prospects and operating results. See "BUSINESS - Intellectual Property Rights."

Because certain of the Company's products incorporate software developed and maintained by third parties, the Company is to a certain extent dependent upon such third parties' ability to enhance their current products, to develop new products on a timely and cost-effective basis and to respond to emerging industry standards and other technological changes. There can be no assurance that the Company would be able to replace the functionality provided by the third party software currently offered in conjunction with the Company's products in the event that such software becomes obsolete or incompatible with future versions of the Company's products or is otherwise not adequately maintained or updated. The absence of or any significant delay in the replacement of that functionality could have a material adverse effect on the Company's sales. See "BUSINESS - Competitive Strategy."

RELIANCE ON PERL. The Company's proprietary software is written in Practical Extraction and Reporting Language ("PERL"), which is the computer program language utilized for Internet applications. Because the Internet is not controlled or supervised by any one person or group, the evolution and continued utilization of PERL cannot be controlled or predicted. Changes in or the elimination of PERL could cause the Company to have to assume responsibility for support and development of that software, which could have a material adverse effect on the Company's business, financial condition, prospects, and operating results.

ABILITY TO RESPOND TO RAPID CHANGE. The Company's future success will depend significantly on its ability to enhance its current products and develop or acquire and market new products which keep pace with technological developments and evolving industry standards as well as respond to changes in customer needs. The market for EDI products and Internet software products is characterized by rapidly changing technology, evolving industry standards and customer demands, and frequent new product introductions and enhancements. The Company will be required to manage effectively its strategic position in a rapidly changing environment. There can be no assurance that the Company will be successful in developing or acquiring product enhancements or new products to address changing technologies and customer requirements adequately, that it will introduce such products on a timely basis, or that any such products or enhancements will be successful in the marketplace. The Company's delay or failure to develop or acquire technological improvements or to adapt its products to technological change would have a material adverse effect on the Company's business, results of operations and financial condition. The failure of the Company's management team to respond effectively to and manage rapidly changing technological and business conditions as well as the growth of its own business, should it occur, could have material adverse impact on the Company's business, results of operations and prospects. See "Reliance on Limited Number of Products," above.

DEPENDENCE ON DISTRIBUTION AND MARKETING RELATIONSHIPS. The Company has few sales and marketing employees and does not have established distribution channels for its services. In order to

generate substantial revenue, the Company must achieve broad distribution of its services to businesses and individuals and secure general adoption of its

services and technology. No assurance can be given that the Company will be able to generate sufficient demand for its services and the inability of the Company to do so would have a material adverse effect on the Company's business, financial condition, prospects and operating results. A key element of the Company's current business and its future business strategy is to maintain and develop relationships with leading companies that market software products and EDI-related services.

The Company has entered into value added-reseller ("VAR"), distribution, co-marketing and other agreements with a number of companies. See "BUSINESS - Strategic Relationships." Many of these agreements are nonexclusive, and many of the companies with which the Company has agreements also have similar agreements with the Company's competitors or potential competitors. The Company believes that its success in penetrating markets for its EDI products and services depends in large part on its ability to maintain these relationships, to add the Company's EDIxchange products and services to such arrangements, to cultivate additional relationships and to cultivate alternative relationships if distribution channels change. There can be no assurance that the Company's VAR partners, distributors and comarketers, most of whom have significantly greater financial and marketing resources than the Company, will not develop and market products in competition with the Company in the future, discontinue their relationships with the Company or form additional competing arrangements with the Company's competitors. See "BUSINESS - Marketing and Distribution."

DEPENDENCE ON INTELLECTUAL PROPERTY RIGHTS; RISK OF INFRINGEMENT. The Company's success and ability to compete are dependent in part upon its proprietary technology relating to its NetCat software. The Company has applied for a patent covering that software, but to date no patent has been granted. There can be no assurance that the applied-for patent will be granted, or, if granted, will be effective to protect the Company's rights in its NetCat technology. In addition, the software and electronic commerce industries are characterized by the existence of a large number of patents, and litigation based on allegations of patent infringement is not uncommon. From time to time, third parties may assert exclusive patent, copyright, trademark and other intellectual property rights to technologies that are important to the Company. Although the Company believes that it is not infringing on the rights of any third parties, there can be no assurance that third parties will not assert infringement claims against the Company, that any such assertion of infringement will not result in litigation or that the Company would prevail in such litigation or be able to license any valid and infringed patents of third parties on commercially reasonable terms. See "BUSINESS - Proprietary Information."

RISKS ASSOCIATED WITH ENCRYPTION TECHNOLOGY. A significant barrier to Internet commerce is the ability to exchange financial information securely over public networks. The Company relies on encryption and authentication technology licensed from third parties to provide the security and authentication necessary to effect the secure exchange of financial information over the Internet, including public key cryptography technology licensed from RSA. No assurance can be given that advances in computer capabilities, new discoveries in the field of cryptography or other events or developments will not result in a compromise or breach of the RSA or other algorithms used by the Company to protect customer transaction data. In August and September 1995, certain RSA algorithms used by Netscape were compromised. There can be no assurance that the Company's security will not likewise be compromised. If any such compromise of the Company's security were to occur, it could have a material adverse effect on the Company's business, financial condition, prospects and operating results. In addition, no assurance can be given that existing security systems of others will not be penetrated or breached, which could have a material adverse effect on the market acceptance of Internet security services, which in turn could have a material and adverse effect on the Company's business, financial condition, prospects and operating results.

LIABILITY AND AVAILABILITY OF INSURANCE. The Company is responsible for the electronic transmission of commercial transaction data for its customers, including, without limitation, purchase orders, payments, invoices, and advance ship notices. If the Company were unable to fulfill its contractual obligations to its customers, whether due to failure of its software, to failure of the Internet, EDI or telecommunications services to function properly, to failure of its employees, contractors, agents or representatives, or for any other reason, the Company could be subject to claims for the value of the lost business to its customers. The liability could be substantial. If the Company incurs substantial liability to its customers due to its breach, it may materially and adversely affect the Company's ability to complete its plan of operation. The Company has no insurance to cover those types of liability.

FLUCTUATING QUARTERLY RESULTS; CYCLICAL BUSINESS. The Company's future revenues and operating results may fluctuate materially as a result of, among other things, the timing of the introduction of, or enhancements to, the Company's services, demand for the Company's services, the timing of introduction of products or services by the Company's competitors, market acceptance of Internet commerce, the timing and rate at which the Company

increases its expenses to support projected growth, the budgeting and purchasing practices of its customers, the length of the customer product evaluation process for the Company's products, the size and timing of customer orders, competitive conditions in the industry, and other factors inherent in a new, developing business. Fluctuations in revenues and operating results may cause volatility in the Company's stock price.

DEPENDENCE UPON KEY PERSONNEL. The Company's success will depend in part upon the retention of key senior management and technical personnel, particularly Steve Vanechanos, Jr., co-founder of the Company and Chairman of the Board, and Kenneth Konikowski, Executive Vice President of the Company. The loss of the services of any of the Company's key personnel could have a material adverse effect on the Company. Several, but not all, of the Company's employees have signed confidentiality and non-competition agreements. The Company presently maintains key man life insurance on Steve Vanechanos, Jr. in the amount of $3,000,000. There can be no assurance that the Company will be able or willing to continue to maintain such insurance.

ABILITY TO ATTRACT QUALIFIED PERSONNEL. The Company believes that its future success also depends upon its ability to attract and retain additional highly skilled technical, professional services, management and sales and marketing personnel. The market for skilled programmers and other technically skilled employees is highly competitive and other companies with greater resources can pay higher salaries and greater benefits. To attract quality personnel, the Company may be required to offer Common Stock or stock options, which will dilute investors' interests. The market for these individuals has historically been, and the Company expects that it will continue to be, intensely competitive. The Company's inability to attract and retain qualified employees could have a material adverse effect on the Company's business, financial condition, prospects, and operating results.

MANAGEMENT OF GROWTH. If the Company experiences a period of rapid growth, that a significant strain may be placed on the Company's financial, management and other resources. The Company's future performance will depend in part on its ability to manage change in its operations and will require the Company to hire additional management and technical personnel, particularly in the marketing and customer support arm. In addition, the Company's ability to manage its growth effectively will require it to continue to improve its operational and financial control systems and infrastructure and management information systems, and to attract, train, motivate, manage and retain key employees. If the Company's management were to become unable to manage growth effectively, that would have a material adverse effect on the Company's financial condition, prospects, and operating results.

ABILITY TO ISSUE BLANK CHECK PREFERRED STOCK; NEW JERSEY ANTI-TAKEOVER PROVISIONS. The Company's Board of Directors has proposed, subject to shareholder approval, an amendment to its Certificate of Incorporation (the "Certificate Amendment") to provide that the Board of Directors shall have the authority to issue up to 5,000,000 shares of preferred stock and to determine the price, rights, preferences and privileges of those shares without any further vote or action by the stockholders. The rights of the holders of Common Stock will be subject to, and may be adversely affected by, the rights of the holders of any preferred stock that may be issued in the future. The issuance of shares of preferred stock, while potentially providing desirable flexibility in connection with possible acquisitions and other corporate purposes, could have the effect of making it more difficult for a third party to acquire a majority of the outstanding voting stock of the Company. The Company has no present intention to issue shares of preferred stock.

In addition, the Company is subject to the anti-takeover provisions of the New Jersey Shareholder Protection Act, which, among other things, will prohibit it from engaging in a "business combination" with an "interested stockholder' for a period of five years after the date of the transaction in which the person became an interested stockholder (the "Stock Acquisition Date"), unless the business combination is approved by the Company's Board of Directors prior to the Stock Acquisition Date. The application of such Act also could have the effect of delaying or preventing a change-in-control of the Company. Furthermore, certain provisions of the Certificate Amendment, if approved by the Company's shareholders, and the Company's Bylaws, including provisions that provide for the Board of Directors to be divided into three classes to serve for staggered three-year terms, as well as certain contractual provisions could limit the price that certain investors might be willing to pay in the future for shares of the Common Stock and may have the effect of delaying or preventing a change-in-control of the Company. These provisions may also reduce the likelihood of an acquisition of the Company at a premium price by another person or entity.

GOVERNMENT REGULATION AND LEGAL UNCERTAINTIES. The Company is not currently subject to direct regulation by any federal or state government agency, other than regulations applicable to businesses generally, and there are currently few laws or regulations directly applicable to access to, or commerce on, the Internet. If the Internet becomes more generally accepted, it is

possible that a number of laws and regulations may be adopted with respect to the Internet. Such laws may address user privacy, pricing and characteristics and quality of products and services, among other things. The recently enacted Telecommunications Reform Act of 1996 imposes criminal penalties on anyone who distributes obscene, lascivious or indecent communications on the Internet. The adoption of any laws or regulations governing commerce on the Internet may result in decreased growth of the Internet, which could have an adverse effect on the Company's business, financial condition, prospects and operating results. Moreover, the applicability to the Internet of existing laws governing issues such as property ownership, libel and personal privacy is uncertain.

POSSIBLE VOLATILITY OF STOCK PRICE. The market price of the Company's Common Stock is likely to be highly volatile and could be subject to wide fluctuations in response to quarterly variations in operating results, announcements of technological innovations or new software or services by the Company or its competitors, changes in financial estimates by securities analysts, or other events or factors, many of which are beyond the Company's control. In addition, the stock market has experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of many high technology companies and that often have been unrelated to the operating performance of such companies. These broad market fluctuations may adversely affect the market price of the Company's Common Stock. In the past, following periods of volatility in the market price for a company's securities, securities class action litigation has often been instituted. Such litigation could

result in substantial costs and a diversion of management attention and resources, which could have a material adverse effect on the Company's business, financial condition, prospects or operating results.

SUBSTANTIAL OPTIONS RESERVED. Under the Company's 1997 Employee Stock Option Plan (which has been approved by the Board of Directors and which will be presented to the shareholders at the annual meeting for their approval), the Company may issue options to purchase up to an aggregate of 900,000 shares of Common Stock to employees and officers. Further, under the Company's 1997 Stock Option Plan for Outside Directors (which has been approved by the Board of Directors and which will be presented to the shareholders at the annual meeting for their approval), the Company may issue options to purchase up to an aggregate of 300,000 shares of Common Stock to its outside directors. Any such options may further dilute the net tangible book value of the Common Stock and an investor's interest in the Company. Further, the holders of such options may exercise them at a time when the Company would otherwise be able to obtain additional equity capital on terms more favorable to the Company.

DIFFICULTY OF TRADING "PENNY STOCKS." The Company's securities may be subject to rules that imposes additional sales practice requirements on broker-dealers who sell lower-priced securities to persons other than established customers (as defined in such rules) and accredited investors (generally, institutions and, for individuals, an investor with assets in excess of $1,000,000 or annual income exceeding $200,000 or $300,000 together with such investor's spouse). For transactions covered by these rules, the broker-dealer must make a special suitability determination for the purchaser and must have received the purchaser's written consent to the transaction prior to the purchase. Consequently, many brokers may be unwilling to engage in transactions in the Company's securities because of the added disclosure requirements, thereby making it more difficult for purchasers in this Offering to resell the Common Stock in the secondary market.

ITEM 2. PROPERTIES.

The Company recently moved its corporate offices to 271 Route 46 West, Building F, Suite 209, Fairfield, New Jersey. It has entered into two leases for approximately 5,400 square feet for its executive and administrative staff at an aggregate monthly rental of $6,400. The Company believes that such space will be sufficient for its needs for the foreseeable future and that alternative space is available at rental rates which would not materially adversely affect the Company.

The Company owns its former offices (at 1033 Route 46 East, Clifton, New Jersey, which it acquired in its acquisition of Megascore in November of 1996). It has vacated those premises, which are listed for sale. Those premises are mortgaged with an approximately $190,000 mortgage.

ITEM 3. LEGAL PROCEEDINGS.

The Company is not a party to any material proceedings. From time to time, the Company is involved in various routine legal proceedings incidental to the conduct of its business.

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

No matters were submitted to a vote of security holders during the fourth

quarter of the Company's fiscal year ended September 30, 1996.

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

A portion of the Company's common stock which is not restricted is traded on the National Association of Securities Dealers ("NASD") Over the Counter ("OTC") Bulletin Board Service under the symbol "DWEB."

The range of high and low bid quotations for the Company's Common Stock for the two most recently completed fiscal years and the current fiscal year to date were obtained from the NASD and are provided below. The volume of trading in the Company's Common Stock has been limited and the bid prices reported may not be indicative of the value of the Common Stock or the existence of an active trading market. These over-the-counter market quotations reflect inter-dealer prices without retail markup, markdown or commissions and may not necessarily represent actual transactions.

<TABLE>
<CAPTION>

	Bid	
Quarter Ended	High	Low
<S>	<C>	<C>
December 31, 1994	$ 0.01	$ 0.01
March 31, 1995	0.01	0.01
June 30, 1995	0.01	0.01
September 30, 1995	0.01	0.01
December 31, 1995	$ 0.01	$ 0.01
March 31, 1996*	5	4 1/2
June 30, 1996	4 3/8	4 1/2
September 30, 1996	4 1/8	3 7/8
December 31, 1996	3 3/4	3
March 31, 1997	3 3/8	3 1/8

</TABLE>

* On March 5, 1996, the Company effectuated a 100 for one reverse stock split whereby each 100 shares of Common Stock were combined into one share of Common Stock. The information in the above table was not retroactively adjusted on account of that combination of shares.

At April 30, 1997, there were 7,667,270 shares of the Company's common stock outstanding held by approximately 3,255 holders of record.

The Company did not declare or pay cash dividends on the Common Stock during 1995 or 1996. The Company currently intends to retain any earnings for use in the business and does not anticipate paying any cash dividends in the foreseeable future.

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

The following discussion and analysis should be read in conjunction with the financial statements included in this Report and in conjunction with the description of the Company's Business under Item 1 of this Report. It is intended to assist the reader in understanding and evaluating the financial position of the Company.

This discussion contains, in addition to historical information, forward-looking statements that involve risks and uncertainty. The Company's actual results could differ materially from the results discussed in the forward-looking statements. Factors that could cause or contribute to such differences include those discussed in "Investment Considerations" as well as those discussed elsewhere in this Report.

It should be noted also that the discussion in this Item 6 relates to the combined operations of DWTS and Megascore for the two fiscal years ending September 30, 1996. Prior to March 26, 1996, however, the Company was named Seahawk Capital Corporation. Seahawk Capital Corporation had, from time to time, other operations having no relationship to the Company's present business and management. Those prior operations were disposed of by the Company. The history of Seahawk Capital Corporation and the disposition of those other operations are more fully described in the Company's Form 10-KSB for the year ended December

31, 1995 (then filed under the name Seahawk Capital Corporation) and Form 8-K dated March 26, 1996.

FINANCIAL CONDITION

As of September 30, 1996, the Company had cash of $174,403 and total current assets of $276,989.

The Company had a net loss of $455,230 for the year ended September 30, 1996, and negative cash flow from operations of $411,544. The Company funded its activities during the fiscal year primarily through the private sale of equity securities which raised $597,750. The balance of cash remaining from such activities is the $174,403.

Those capital resources are not believed to be adequate to finance the Company's activities for the full year ended September 30, 1997. As a result, the Company engaged in a private placement of $250,000 of Common Stock and another private placement of $600,000 of units consisting of promissory notes and Common Stock. Further, the Company expects to engage in one or more other public or private sales of equity securities in order to provide additional capital for its operations. Readers of this Report should pay close attention to the opinion of the Company's auditors as it pertains to the Company's financial condition, and also to the Investment Considerations discussed in Item 1 of this Report.

RESULTS OF OPERATIONS

THE YEAR ENDED SEPTEMBER 30, 1996 COMPARED TO THE YEAR ENDED SEPTEMBER 30, 1995

For the fiscal year ended September 30, 1996 ("fiscal 1996"), the Company recognized net sales of approximately $460,000 compared to fiscal year ended September 30, 1995 ("fiscal 1996") of approximately $640,000. The decrease of net sales of approximately $180,000 was attributable the Company's change in focus of its core business and it needed to market its new products and services; EDIxhange Suite (a web-based, EDI order facilitation, and catalog system) and EDIbrideNET Services

(a full line of EDI and Internet outsourcing services). The decrease is also due to a decline in hardware systems due to anticipated future declining profit margins.

System sales decreased to approximately $147,000 for fiscal 1996 from approximately $297,000 in fiscal 1995. The decrease is due a change in the Company's focus of its core business and a need to market its EDI products. The Company also is anticipating declining profit margins of its hardware sales. System sales includes sales of hardware and software to customers

Service sales decreased to approximately $313,000 for fiscal 1996 from approximately $343,000 in fiscal 1995. The decrease is due to the shift in the Company's marketing of its services in the electronic commerce industry. Service sales includes customer set-up fees, training cost, EDI charges and consulting, maintenance and support fees, consulting fees.

Cost of system sales was approximately $71,000 or a gross profit of 52% for fiscal 1996 as compared to approximately $159,000 or a gross profit of 46% for fiscal 1995. The increase in gross profit was attributable to selling more software then hardware products. Cost of systems includes the cost of computer hardware and sublicensed software.

Cost of services was approximately $81,000 for fiscal 1996 or a gross profit of 74% for fiscal 1996 as compared to approximately $84,000 or a gross profit of 75% for fiscal 1995. There was no significant change for the fiscal year.

Selling, general and administrative increased approximately $354,000 to approximately $719,000 in fiscal 1996 as compared to approximately $365,000. The increase is attributable to higher marketing expenses, salaries and office expenses in the Company's effort to market its new products and services.

Research and development expense was approximately $29,000 for fiscal 1996 as compared to approximately $12,000 for fiscal 1995. The increase is due to the Company's developing an order processing software for the internet.

Interest expense was approximately $23,000 for the fiscal years 1996 and 1995 which represents the expense of financing the Company's office condominium and automobiles.

Interest income increase by approximately $6,000 to approximately $9,000 in fiscal 1996 as compared to $3,000 in fiscal 1995 as a result of the Company's investing its excess cash form private placements.

Net loss for fiscal 1996 was approximately $455,000 or .07 per share as

compared to nil for fiscal 1995 as the Company is marketing and directing its attention in expanding its internet product and services.

ITEM 7. FINANCIAL STATEMENTS.

INDEPENDENT AUDITORS' REPORT

Board of Directors and Stockholders
DynamicWeb Enterprises, Inc.
Fairfield, New Jersey

We have audited the accompanying consolidated balance sheet of DynamicWeb Enterprises, Inc. and subsidiaries (formerly Seahawk Capital Corporation) as at September 30, 1996 and the related consolidated statements of operations, changes in stockholders' equity and cash flows for the years ended September 30, 1996 and September 30, 1995. 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 generally accepted auditing standards. 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, the consolidated financial statements enumerated above present fairly, in all material respects, the financial position of DynamicWeb Enterprises, Inc. and subsidiaries (formerly Seahawk Capital Corporation) as at September 30, 1996 and the results of their operations and their cash flows for the years ended September 30, 1996 and September 30, 1995, in conformity with generally accepted accounting principles.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note B, a substantial portion of the Company's resources may be depleted before it is able to market and derive significant revenues from its products and services. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note B. The consolidated financial statements do not include any adjustments that might result from the outcome of these uncertainties.

/s/ Richard A. Eisner & Company, LLP

New York, New York
April 7, 1997

With respect to Note J[8]
April 30, 1997

DYNAMICWEB ENTERPRISES, INC.
(formerly Seahawk Capital Corporation)

CONSOLIDATED BALANCE SHEET

AS AT SEPTEMBER 30, 1996

A S S E T S

<TABLE>

<S>	<C>
Current assets:	
Cash and equivalents	$ 174,403
Accounts receivable, less allowance for doubtful accounts of $34,328	70,518
Prepaid and other current assets	32,068
Total current assets	276,989
Property and equipment (Notes D and E)	239,889
Patents and trademarks, less amortization of $2,166	19,299

T O T A L	$ 536,177

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:	
Accounts payable	$ 34,581
Accrued expenses and other	18,487
Current maturities of long-term debt (Note E)	12,434
Deferred revenue	11,330
Total current liabilities	76,832
Long-term debt, less current maturities (Note E)	197,661
Total liabilities	274,493
Commitments (Notes I and J)	
Stockholders' equity (Notes A, F and J):	
Common stock - $.0001 par value; 50,000,000 authorized, 6,548,511 issued and outstanding	655
Additional paid-in capital	676,215
Accumulated deficit	(415,186)
Total stockholders' equity	261,684
T O T A L	$ 536,177

</TABLE>

Attention is directed to the foregoing accountants' report and to the accompanying notes to financial statements.

DYNAMICWEB ENTERPRISES, INC.
(formerly Seahawk Capital Corporation)

CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>
<CAPTION>

	Year Ended September 30, 1996	1995
<S>	<C>	<C>
Net sales:		
System sales (Note H[3])	$ 147,337	$ 296,763
Services (Note H[3])	312,730	342,980
T o t a l	460,067	639,743
Cost of sales:		
System sales	71,205	158,820
Services	81,194	84,318
T o t a l	152,399	243,138
Gross profit	307,668	396,605
Expenses:		
Selling, general and administrative	719,443	364,684

Research and development	28,990	12,000
T o t a l	748,433	376,684
Operating income (loss)	(440,765)	19,921
Interest expense	(23,271)	(23,350)
Interest income	8,806	3,140
NET LOSS	$ (455,230)	$ (289)
Net loss per common share (Note C[7])	$ (.07)	$ (.00)
Weighted-average number of shares outstanding	6,382,873	6,205,000

</TABLE>

Attention is directed to the foregoing accountants' report and to the accompanying notes to financial statements.

DYNAMICWEB ENTERPRISES, INC.
(formerly Seahawk Capital Corporation)

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Notes A, F and J)

<TABLE>
<CAPTION>

	Common Stock - Par Value $.0001		Additional Paid-in	Retained Earnings (Accumulated	
	Shares	Amount	Capital	Deficit)	Total
<S>	<C>	<C>	<C>	<C>	<C>
Balance - October 1, 1994	6,205,000	$ 621	$228,499	$ 40,333	$269,453
Net loss				(289)	(289)
Balance - September 30, 1995 ...	6,205,000	621	228,499	40,044	269,164
Issuance of common stock, net of $52,250 of costs	343,511	34	447,716		447,750
Net loss				(455,230)	(455,230)
BALANCE - SEPTEMBER 30, 1996 ...	6,548,511	$ 655	$676,215	$(415,186)	$261,684

</TABLE>

Attention is directed to the foregoing accountants' report and to the accompanying notes to financial statements.

DYNAMICWEB ENTERPRISES, INC.
(formerly Seahawk Capital Corporation)

CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

	Year Ended September 30,	
	1996	1995
<S>	<C>	<C>

Cash flows from operating activities:		
Net (loss)	$(455,230)	$ (289)
Adjustment to reconcile net (loss) to net cash (used in) operating activities:		
Depreciation and amortization	23,644	5,614
Stock issued for compensation	10	
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	3,739	(24,810)
(Increase) decrease in prepaid expenses and other current assets	(6,923)	18,023
Increase (decrease) in accounts payable	7,801	(1,910)
Increase (decrease) in accrued expenses	15,293	(2,368)
Increase (decrease) in deferred revenue	122	(1,549)
Net cash (used in) operating activities	(411,544)	(7,289)
Cash flows from investing activities:		
Acquisition of property and equipment	(23,838)	(6,900)
Acquisition of patents and trademarks	(21,220)	(245)
Net cash (used in) investing activities	(45,058)	(7,145)
Cash flows from financing activities:		
Payment of long-term debt	(11,909)	(13,772)
Proceeds from issuance of stock	597,750	
Net cash provided by (used in) financing activities	585,841	(13,772)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	129,239	(28,206)
Cash and cash equivalents, beginning of year	45,164	73,370
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 174,403	$ 45,164
Supplemental schedule of noncash investing and financing activities:		
During the year ended September 30, 1995, the Company financed $31,316 of property and equipment		
Supplemental disclosure of cash flow information:		
Cash paid for interest during the year	$ 21,271	$ 23,350

</TABLE>

Attention is directed to the foregoing accountants' report and to the accompanying notes to financial statements.

DYNAMICWEB ENTERPRISES, INC.
(formerly Seahawk Capital Corporation)

NOTES TO FINANCIAL STATEMENTS

(NOTE A) - Basis of Presentation:

The accompanying financial statements include the accounts of DynamicWeb Enterprises, Inc. ("DWE") and its wholly owned subsidiaries, Megascore, Inc. and DynamicWeb Transactions Systems, Inc. ("DWTS") (the "Company"). All significant intercompany balances and transactions have been eliminated.

DWTS, formerly a division of Megascore, Inc. was established as a separate legal entity on October 31, 1995. On February 7, 1996 DWTS issued all of its shares of its common stock to Megascore, Inc. On September 30, 1996, DynamicWeb Enterprises, Inc. acquired all the common stock of Megascore, Inc. for 50,000 shares of its common stock. The transaction was accounted as a combination of entities under common control. The accompanying financial statements retain the historical accounting basis for the net assets of Megascore, Inc, and gives effect to the operations of Megascore, Inc. for all periods presented.

On March 26, 1996 DWTS was acquired by Seahawk Capital Corporation ("Seahawk"), a publicly held corporation which had 431,369 shares of common stock outstanding and no assets. Prior to the acquisition, Seahawk distributed all of its assets to its shareholders. In the acquisition the shareholders of

DWTS received 4,913,631 shares of Seahawk's common stock. The acquisition is being accounted for as if DWTS were the acquiring entity. The shares of Seahawk are accounted for as being outstanding for all periods presented. In connection with the acquisition, 735,000 shares were issued to a finder and 75,000 shares were issued for legal fees. At the conclusion of this transaction, there were 6,155,000 shares outstanding.

On May 14, 1996, Seahawk changed its name to DynamicWeb Enterprises, Inc. and concurrently increased the authorized number of shares of its common stock to 50,000,000 at a $.0001 par value. The accompanying financial statements give retroactive effect to the above transaction.

On November 30, 1996, the Company acquired Software Associates, Inc. (Note J[2]).

(NOTE B) - The Company:

DWE is in the business of facilitating electronic commerce transactions between business entities, developing, marketing and supporting software products and other services that enable business to engage in electronic commerce utilizing the Internet and traditional Electronic Data Interchange ("EDI"). DWE offers electronic commerce solutions in EDI and Internet-based transactions processing.

Megascore, Inc. is a full-service systems integrator specializing in distribution, accounting and point-of- sale computer software consulting services for suppliers and retailers.

Although the Company had working capital at September 30, 1996 and has subsequently raised net proceeds of approximately $772,000 in issuance of stock and notes (Notes J[1] and J[8]), a substantial portion of its resources may be depleted before the Company markets and derives significant revenues from its products and services. The Company is planning to raise additional equity through a proposed public offering of stock (Note J[4]). There is no assurance that the Company's products and services will be commercially successful.

(NOTE C) - Summary of Significant Accounting Policies:

[1] Revenue recognition:

Revenues are recognized when products are shipped, provided that no significant vendor obligations remain and collection of the resulting receivable is deemed probable by management. The Company provides customer support as an accommodation to purchasers of its product and revenues are recognized when services are provided. The Company expects to enter into contracts with customers whereby revenues will be earned based upon a per transaction fee.

[2] Cash equivalents:

The Company considers all highly liquid investment instruments purchased with a maturity of three months or less to be cash equivalents.

[3] Depreciation:

Property and equipment are recorded at cost. Depreciation is provided on an accelerated method over the estimated useful lives of the related assets. Amortization of leasehold improvements is provided over the shorter of the lease term or the estimated useful life of the asset.

[4] Patents and trademarks:

Costs to obtain patents and trademarks have been capitalized. The Company has submitted numerous applications which are currently pending. These costs are being amortized over five years.

[5] Research and development:

Research and development costs are charged to expense as incurred.

[6] Income taxes:

The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" ("SFAS No. 109"). SFAS No. 109 measures deferred income taxes by applying enacted statutory rates in effect at the balance sheet date to the differences between

the tax bases of assets and liabilities and their reported amounts in the financial statements. The resulting asset was fully reserved since the likelihood of realization of the benefit cannot be established.

[7] Loss per share of common stock:

Net loss per share of common stock is based on the weighted average number of shares outstanding.

[8] 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 and liabilities

and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

[9] Recently issued accounting pronouncements:

In 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 121, "Accounting for the impairment of Long-Lived Assets and for Long-Lived Assets to be disposed of ("FASB 121"), and Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" ("FASB 123"). FASB 121 requires, among other things, that entities identify events or changes in circumstances which indicate that the carrying amount of an asset may not be recoverable. FASB 123 encourages companies, among other things, to establish a fair value based method of accounting for stock-based compensation plans and requires disclosure thereof on a fair value basis. The Company believes that adoption of FASB 121 and FASB 123 will not have a material impact on its financial statements. The Company has elected to continue to account for employee stock-based compensation in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," using intrinsic values with appropriate disclosures using the fair value based method.

[10] Fair value of financial instruments:

The Company considers its financial instruments and obligations, which are carried at cost, to approximate fair value due to the near-term due dates.

(NOTE D) Property and Equipment:

Property and equipment are as follows at September 30, 1996:

<TABLE>
<CAPTION>

	Cost	Estimated Useful Life
<S>	<C>	<C>
Office facility condominium .	$156,600	20 years
Office equipment.	17,865	5 years
Computer equipment.	80,372	5 years
Automobiles	33,876	5 years
	288,713	
Accumulated depreciation and amortization	90,224	
	198,489	
Land.	41,400	
	$239,889	

</TABLE>

(NOTE E) - Long-Term Debt:

Long-term debt consists of the following at September 30, 1996:

*Mortgage payable - due in July 2015; payable in varying monthly installments at an interest rate at the lower of prime plus 2% or 14.25%	$190,805
Auto loans - due through June 1999 payable in monthly installments of $767 at interest of 5.9% and 10.0%	19,290
Total indebtedness	210,095
Less current maturities.	12,434
Noncurrent portion	$197,661

*Collateralized by an office facility condominium and land with a net book value of approximately $188,000.

Maturities of long-term debt for the next five years are as follows:

September 30,	
1997.	$ 12,434
1998.	12,945
1999.	7,411
2000.	4,500
2001.	4,500
Thereafter.	168,305
T o t a l	$210,095

(NOTE F) - Stockholders' Equity:

On March 26, 1996, the Company completed a stock offering under Regulation S, whereby it sold 343,511 shares of its common stock for $500,000 less fees in connection with such offering of $52,250 for net proceeds of $447,750.

(NOTE G) - Income Taxes:

[1] The Company has a federal and state net operating loss carryforward of approximately $400,000 which expires in 2010. The tax benefits of these deferred tax assets are fully reserved for since the likelihood of realization of the benefit cannot be established.

The Tax Reform Act of 1986 contains provisions which limits the net operating loss carryforwards available for use in any given year should certain events occur, including significant changes in ownership interests. If the Company is successful in completing a proposed public offering as described in Note J[4], the utilization of its net operating loss carryover may be limited.

[2] The tax effects of principal temporary differences and net operating loss carryforwards are as follows as at September 30, 1996:

Asset:	

Federal and state operating loss carryforwards	$ 148,000
Accounts receivable	13,000
Valuation allowance	(161,000)
Net deferred tax asset	$ - 0 -

At September 30, 1995 there was no valuation allowance. The differences between the statutory Federal income tax rate of 34% are as follows:

	September 30, 1996	September 30, 1995
Statutory rate (benefit)	(34.0)%	(34.0)%
Valuation allowance	34.0	34.0
Effective tax rate	0 %	0 %

(NOTE H) - Concentration of Credit Risks:

[1] Cash and cash equivalents:

The Company places its cash and cash equivalents at various financial institutions. At times, such amounts might be in excess of the FDIC insurance limit.

[2] Accounts receivable:

The Company routinely evaluates the credit worthiness of its customers to limit its concentration of credit risk with respect to its trade receivables.

[3] Significant customers:

The Company had one customer that accounted for 23% of net sales for the year ended September 30, 1995 and two customers that accounted for 16% and 10% of net sales for the year ended September 30, 1996.

(NOTE I) - Commitments:

Leases:

On October 1, 1996, the Company signed an operating lease for office space providing for the following future annual rental payments:

Year Ending September 30,	
1997	$ 21,400
1998	36,800
1999	37,900
2000	38,600
2001	39,300
Thereafter	3,300
T o t a l	$177,300

(NOTE J) - Subsequent Events:

[1] Private placement:

On November 21, 1996, pursuant to Regulation D, the Company sold 250,000 shares of its common stock for $250,000.

[2] Acquisition:

On November 30, 1996, the Company entered into a stock purchase agreement with Software Associates, Inc. and its sole shareholder (the "SA Agreement") whereby the Company acquired all the issued and outstanding common stock of Software Associates, Inc. Software Associates, Inc. is an EDI service bureau engaged in the business of helping companies realize the benefits of expanding their data processing and electronic communications infrastructures through the use of EDI. The Company exchanged 860,000 shares of its common stock for all of the issued and outstanding shares of Software Associates, Inc. The Company further agreed to issue up to 1,140,000 additional shares of its common stock in the event that the average closing bid price of the Company's common stock does not equal $3.375 per share for the five trading days immediately prior to January 30, 1999. In connection with this transaction, the Company incurred approximately $25,000 of professional fees.

The SA Agreement also requires that the Company issue options for the purchase of 25,000 shares of its common stock to employees of Software Associates, Inc.

In connection with the acquisition, the Company entered into a five year employment contract with the sole shareholder/President of Software Associates, Inc. The agreement provides for an annual salary of approximately $136,000 and includes a discretionary bonus as determined by the Company's Board of Directors.

Software Associates, Inc., leases its office space from a Partnership whose partner is the Executive Vice President of the Company. Annual rental payments are approximately $38,000 and the lease expires on June 30, 2018. Software Associates, Inc. has guaranteed the debt of the condominium office space which was approximately $249,000 as at November 30, 1996; the debt matures in August 2019.

The assets acquired and liabilities assumed are as follows:

<TABLE>
<S> <C>

Current assets.	$ 95,000
Fixed assets.	6,000
Purchased research and development	714,000
Customer list	100,000
Current liabilities	(26,000)
Other liabilities	(4,000)
	$885,000

</TABLE>

The purchased research and development was charged to operations upon acquisition. The acquisition was accounted for as a purchase.

The condensed unaudited pro forma information of the Company and Software Associates, Inc. for the year ended September 30, 1996 and September 30, 1995 are as follows as if the acquisition of Software Associates, Inc. occurred on October 1, 1994. The pro forma information is not necessarily indicative of the results that would have been reported had the acquisition occurred on October 1, 1994, nor is it indicative of the Company's future results.

<TABLE>
<CAPTION>

	September 30,	
	1996	1995
	(Unaudited)	
<S>	<C>	<C>
Net sales	$ 1,158,000	$ 1,432,000

Net (loss)	$ (570,000)	$ (10,000)
(Loss) per share	$ (.08)	$ (.00)

</TABLE>

[3] In February and March 1997, the Company received a loan from the President of $50,000. The Company paid back $40,000 to its President from the net proceeds of the private placements as described in Notes J[1] and J[8].

[4] On February 1, 1997, the Company signed a letter of intent with an underwriter with respect to a proposed public offering of the Company's securities. The Company expects to incur significant additional costs in this connection therewith. In the event that the offering is not successfully completed, such costs will be charged to expense.

[5] On March 7, 1997 the Board of Directors, subject to stockholders' approval, approved a reverse stock split for each share of common stock to be converted into .2608491 of one share and authorized 5,000,000 shares

of preferred stock. Cash is to be issued to the stockholders for any fractional shares. The accompanying financial statements do not give retroactive effect thereto until stockholders' approval is obtained.

[6] On April 28, 1997, the Board of Directors, subject to stockholders' approval, adopted a stock option plan for outside directors (the "Director Plan") under which nonqualified stock options may be granted to its outside directors to purchase up to 300,000 shares of the Company's common stock. Directors will be granted an option to purchase 15,000 of the Company's common stock at fair market value at the earlier of the public offering or September 30, 1997 and at each subsequent annual meeting of shareholders at which directors are elected. Options may be exercised for ten years and one month after the date of grant and may not be exercised during an eleven-month period following the date of grant unless there is a change in control, as defined in the Director Plan or the compensation committee waives the eleven-month continuous service requirement.

[7] On March 7, 1997, the Board of Directors, subject to stockholders' approval, adopted the Company's 1997 employee stock option plan (the "Plan"), amended by the Board of Directors on April 29, 1997, under which incentive stock option and nonqualified stock options may be granted to purchase up to 900,000 shares of the Company's common stock. Grants to any one employee shall not exceed 250,000 options during any twelve-month period. Incentive stock options are to be granted at a price not less than the fair market value, or 110% of fair market value to an individual who owns more than ten percent of the voting power of the outstanding stock. Nonqualified stock options are to be granted at a price determined by the Company's compensation committee.

[8] Private placement:

On April 30, 1997, pursuant to Regulation D, the Company completed a private placement whereby it sold 24 units for an aggregate amount of $600,000. The placement agent is entitled to a fee and nonaccountable expense allowance aggregating $78,000 or 13% of the private placement offering. Each unit consists of a $25,000 promissory note bearing interest at 8% and 11,943 shares of the Company's common stock. The notes are due at the earlier of the closing of the proposed public offering as described in Note J[4] or when the Company obtains an aggregate financing of $2,000,000 excluding expenses or March 31, 1999. The 11,943 shares of common stock in each unit will be subject to reduction by a contemplated reverse stock split (Note J[5]) to not less than 3,115 shares. The number of shares of common stock will increase or decrease in the event that the offering price of the proposed public offering is not $6.00 per common share.

[9] Late filings and annual report:

The Company is required to file with the Securities and Exchange Commission Form 10-KSB for September 30, 1996, Form 10-QSB for the quarter ended December 31, 1996 and an amended Form 8-K for the acquisition of Megascore, Inc. and Software Associates, Inc. (Notes A and J[2]). The Company has not distributed its annual report to its shareholders. The Company expects to submit these late filings and distribute its annual report as soon as possible.

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

On February 24, 1997, the Issuer retained the services of Richard Eisner & Company, LLP as the Company's principal independent accountant and auditor ("Eisner"). Eisner's responsibilities include the audit of the Issuer's

financial statements for the two fiscal years ending September 30, 1996.

The circumstances of the retention of Eisner are discussed in the Company's Form 8-K as filed with the Commission dated February 19, 1997, as amended by the Amendment to Form 8-K dated March 12, 1997.

PART III

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT.

Directors and Executive Officers. The following table contains certain information with respect to the nominees for the Board of Directors (which includes all current directors) and the executive officers of the Company.

<TABLE>
<CAPTION>

NAME	AGE	POSITION
<S>	<C>	<C>
Steve L. Vanechanos, Jr.(1)	43	Chairman of the Board and President
Steve Vanechanos, Sr.(1)	67	Director, Vice President, Treasurer and Secretary
Kenneth R. Konikowski	50	Director and Executive Vice President
F. Patrick Ahearn, Jr.(2)	49	Director
Denis Clark	53	Nominee
Frank DiPalma(3)	51	Director
Robert Droste(2)(3)	43	Director

</TABLE>

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

(1) Steve Vanechanos, Sr. is the father of Steve L. Vanechanos, Jr. and Michael Vanechanos who, as of March 26, 1997, beneficially owns 7.86% of the Company's outstanding common stock (the "Common Stock"). See "Item 11. Security Ownership of Certain Beneficial Owners and Management."

(2) Member of the Audit Committee of the Board of Directors. The Audit Committee recommends an outside auditor for the year and reviews the financial statements and progress of the Company. This Committee was formed in 1997.

(3) Member of the Compensation Committee. The Compensation Committee meets on an as-needed basis between meetings of the Board of Directors to discuss compensation related matters. This Committee was formed in 1997.

STEVE L. VANECHANOS, JR. became President and Chairman of the Board of Directors of the Company on March 26, 1996. He has been President of DynamicWeb Transaction Systems, Inc. ("DWTS"), a wholly-owned subsidiary of the Company, since its incorporation in October 1995. He also was a co-founder of Megascore, Inc. ("Megascore"), a wholly-owned subsidiary of the Company, in 1981 and has served as its President since April 1985. He has a Bachelor of Science Degree in Finance and Economics from Fairleigh Dickinson University, Rutherford Campus.

STEVE L. VANECHANOS, SR. became Vice President, Secretary, Treasurer and a director of the Company on March 26, 1996. He was a co-founder of Megascore in 1981 and of DWTS in 1995. He has served as a Vice President of Megascore since April 1985 and of DWTS since october 1995. He attended Newark College of Engineering in Newark for two years. He continued his education with certifications from PSI Programming Institute in New York City and with courses in principles of accounting at ABA Institute, Hudson County Chapter.

KENNETH R. KONIKOWSKI became the Executive Vice President and a director of the Company on December 1, 1996. Prior to that date, Mr. Konikowski was President of Software Associates, Inc. ("Software Associates"), which he founded in 1985. Software Associates is currently a wholly-owned subsidiary of the Company. See "Item 12. Certain Relationships and Related Transactions -- Acquisition of Software Associates and Megascore."

F. PATRICK AHEARN, JR. became a director of the Company on March 26, 1996. Mr. Ahearn has served as a director of Megascore since 1985 and of DWTS since

February 1996. Since 1993, Mr. Ahearn has served as the Chairman of the Board of E.C.M. Group, Inc., White Plains, New York. From 1992 to 1995, Mr. Ahearn served as Managing Director for Continental Bank and the President of 22 of its subsidiaries. He is also a Colonel in the United States Marine Corps. Mr. Ahearn has a Bachelor of Arts Degree from the College of Holy Cross.

DENIS CLARK has served as Vice President of Sterling Commerce, Inc. from 1993 to 1996 and was employed by IBM Corporation as a Director of Consulting from 1991 to 1992 and as a Director of Software Marketing from 1989 to 1991.

FRANK T. DIPALMA became a director of the Company on March 26, 1996. Since January 1997, Mr. DiPalma has been employed as Vice President of Operations and Engineering for Energy Corporation of America, Mountaineer Gas Division. Prior to that time, and during the past five years, he held various management positions for Public Service Electric and Gas, a public utility located in Newark, New Jersey. In 1995 and 1996, he was the owner of Palmer Associates, a management consulting company. Mr. DiPalma graduated from New Jersey Institute of Technology with a Bachelor of Science in Mechanical Engineering; Fairleigh Dickinson University with a Masters in Business Administration; and the University of Michigan's Executive Development Program.

ROBERT DROSTE became a director of the Company on March 26, 1996. Mr. Droste has served as a director of Megascore since 1985 and of DWTS since February 1996. During the past five years, Mr. Droste has been the Director of Administration and Manager of Internal Audit for Russ Berrie & Co., Inc., Oakland, New Jersey. He has a Bachelor of Science Degree in Accounting from Fairleigh Dickinson University, Rutherford, New Jersey.

Compliance With Section 16(a) of the Securities Exchange Act. Section 16(a) of the Securities Exchange Act of 1934 requires the Company's officers and directors and persons who own more than ten percent of a registered class of the Company's equity securities, to file reports of ownership and changes in ownership with the Securities and Exchange Commission. Officers, directors and greater than ten-percent shareholders are required by SEC regulation to furnish the Company with copies of all Section 16(a) forms they file. The rules of the SEC regarding the filing of such statements require that "late filings" of such statement be disclosed in this Information Statement.

Based solely on review of the copies of such forms furnished to the Company, the Company believes that, during the fiscal year ended September 30, 1996, its officers, directors, and greater than ten-percent beneficial owners complied with applicable Section 16(a) filing requirements, except that (i) Steve L. Vanechanos, Jr., Steve Vanechanos, Sr. and Frank DiPalma each inadvertently failed to file on a timely

basis his Form 3; and (ii) F. Patrick Ahearn, Jr. and Robert Droste each inadvertently failed to file his Form 3 on a timely basis and one Form 4. Each of Messrs. Ahearn and Droste was required to file a Form 4 to report his acquisition of 157 shares of Common Stock pursuant to the Company's acquisition of Megascore, of which Messrs. Ahearn and Droste were shareholders.

ITEM 10. EXECUTIVE COMPENSATION.

General. There were no executive officers of the Company or any of its subsidiaries whose salary and bonus exceeded $100,000 for the fiscal year ended September 30, 1996. The following table sets forth the compensation paid to Steve L. Vanechanos, Jr., the Company's President and Chief Executive Officer from March 26, 1996 to the present. Jonathan B. Lassers served as the Company's President and Chief Executive Officer from May 1995 until March 26, 1996.

SUMMARY COMPENSATION TABLE

<TABLE>
<CAPTION>

Name and Principal Position	Year	Salary	All Other Compensation(1)
<S>	<C>	<C>	<C>
Steve L. Vanechanos, Jr. President and Chief Executive Officer	1996(2)	$58,762(3)	$10,580
Jonathan B. Lassers Former President and Chief Executive Officer	1996(4) 1995	(5) (6)	(5) (6)

</TABLE>

(1) Consists of (a) lease payments totaling $4,580 made by the Company for automobiles used by Mr. Vanechanos, and (b) travel and entertainment expenses of approximately $6,000 paid by the Company.

(2) Mr. Vanechanos commenced his employment with the Company on March 26, 1996.

(3) This amount includes salary paid by Megascore during the year ended September 30, 1996. Megascore was acquired by the Company on September 30, 1996.

(4) Mr. Lassers terminated his employment with the Company on March 26, 1996.

(5) Management has been unable to ascertain the amount of compensation paid to Mr. Lassers during the year ended September 30, 1996.

(6) Mr. Lassers commenced his employment with the Company in May 1995. Management has been unable to ascertain the amount of compensation paid to Mr. Lassers during the year ended December 31, 1995. According to the Company's Annual Report on Form 10-K for the year ended December 31, 1995, Mr. Lassers' compensation was less than $100,000 for such year.

Stock Options. There were no executive officers of the Company or any of its subsidiaries who received or exercised stock options, stock appreciation rights or other stock awards from the Company during the fiscal year ended September 30, 1996. As of September 30, 1996, except for the Company's 1992 Stock Option Plan, the Company did not have in place any stock option, stock appreciation right, or similar compensation plan, nor were any options or stock appreciation rights outstanding and

exercisable as of such date under the 1992 Stock Option Plan or otherwise. On March 7, 1997, the Company terminated the 1992 Stock Option Plan. The Board of Directors has adopted the 1997 Employee Stock Option Plan and the 1997 Stock Option Plan for Outside Directors (collectively, the "1997 Plans"), each subject to shareholder approval.

Employment Agreement. As of September 30, 1996, the Company had no employment agreements with any of its executive officers. On December 1, 1996, Kenneth R. Konikowski, Executive Vice President of the Company, entered into an Employment Agreement with the Company (the "Employment Agreement"). The Employment Agreement expires on November 30, 2001 and specifies: term; Mr. Konikowski's position and duties; compensation; benefits; and termination rights. The Employment Agreement also contains a covenant not to compete, a proprietary right to inventions provision and confidentiality provisions, which inure to the benefit of the Company. The Employment Agreement also contains provisions allowing the Company to terminate Mr. Konikowski's employment for "Cause," as defined therein.

Under the terms of his Employment Agreement, Mr. Konikowski serves as Executive Vice President and a member of the Company's Board of Directors and is entitled to an annual salary of $135,600. The Employment Agreement provides that this amount may be increased based on annual performance reviews pursuant to the Company's policies and practices. Mr. Konikowski is also eligible to be paid an annual bonus based on the Company's to-be-established incentive bonus plan. Mr. Konikowski also receives certain employee benefits: including $500,000 of life insurance, disability and health insurance, vacation days, and an automobile. He is also eligible to participate in the Company's 1997 Employee Stock Option Plan.

The Employment Agreement provides that if Mr. Konikowski's employment is terminated by the Company other than for "Cause," "Disability" or "Material Breach," each as defined therein, or if he terminates his employment for "Good Reason," as defined therein, Mr. Konikowski is entitled to, in a lump sum, an amount equal to the commuted value of his base salary in effect or authorized at the time of termination for the period remaining until November 30, 2001 (determined by discounting all payments at a rate equal to the bond equivalent yield of the latest two-year Treasury Bill auction), to be paid in cash in the month next following his termination of employment. The Company is also required to maintain in full force and effect certain of Mr. Konikowski's employee benefits.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The following table sets forth, as of March 26, 1997, for (i) each person who owns of record or is known by the Board of Directors to be the beneficial owner of more than five percent (5%) of the Common Stock, (ii) each of the nominees for election as a director at the Annual Meeting (which includes all current directors), (iii) each person named in the Summary Compensation Table set forth herein under "Item 10. Executive Compensation" and (iv) all current directors and executive officers of the Company as a group, such person's name and address, the number of shares of Common Stock beneficially owned by such person, and the percentage of the outstanding Common Stock so owned. Unless otherwise indicated in a footnote, each of the following persons holds sole voting and investment power over the shares listed as beneficially owned.

<TABLE>

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership(1)(2)	Percent of Class(3)
<S>	<C>	<C>
Steve L. Vanechanos, Jr. 29 Clarken Drive West Orange, NJ 07052	1,892,554	24.68%
Steve L. Vanechanos, Sr. 96 Union Avenue Rutherford, NJ 07070	1,872,260	24.42%
Kenneth R. Konikowski(4) 36 Pinebrook Road Towaco, NJ 07082	860,000	11.22%
Michael Vanechanos 129 S. Telegraph Hill Road Holmdel, NJ 07703	602,577	7.86%
Sierra Growth & Opportunity, Inc. 551 Fifth Avenue, Suite 605 New York, New York 10017	460,000	5.99%
F. Patrick Ahearn, Jr. 107 Maple Street Rutherford, NJ 07070	13,775	0.18%
Frank T. DiPalma 179 Claremont Road Ridgewood, NJ 07450	43,356(5)	0.57%
Robert Droste 24 Summit Road Clifton, NJ 07012	13,775	0.18%
Denis Clark (6) 8417 Greenside Drive Dublin, Ohio 43017	0	0.00%
Jonathan B. Lassers (7) 275 Uxbridge Cherry Hill, New Jersey 08034	165,000	2.15%
All directors and executive officers as a group (6 in number)(8)	4,695,720	61.25%

</TABLE>

- - ---

(1) The securities "beneficially owned" by an individual are determined in accordance with the definitions of "beneficial ownership" set forth in the General Rules and Regulations of the Securities and Exchange Commission ("SEC") and may include securities owned by or for the individual's spouse and minor children and any other relative who has the same home, as well as securities to which the individual has or shares voting or investment power or has the right to acquire beneficial ownership within sixty (60) days after March 26, 1997. Beneficial ownership may be disclaimed as to certain of the securities.

(2) Information furnished by the directors and executive officers of the Company.

(3) Does not reflect 286,632 shares of Common Stock which the Company sold (but has not yet issued) in April 1997, as part of certain units (the "Units"), in a private placement pursuant to Section 4(2) and Regulation D under the Securities Act of 1933, as amended (the "Private Placement"). The number of such shares to be issued is subject to adjustment based on (i) a proposed 0.2608491-for-one reverse stock split and (ii) the provisions of the Units adjusting the number of shares to equal the quotient of (a) 18,750 divided by (b) the price at which shares of Common Stock are sold in the

Company's proposed public offering. The Company anticipates that it will issue such shares on the earlier of (i) concurrently with the issuance of shares in such proposed public offering, or (ii) October 31, 1997.

(4) Does not include additional shares of Common Stock that may be issuable in connection with the prior acquisition of Software Associates. See "Item 12. Certain Relationships and Related Transactions -- Acquisition of Software Associates and Megascore."

(5) All of such shares are held jointly by Mr. DiPalma and his spouse.

(6) Mr. Clark is not a director of the Company. He has been nominated by the Board of Directors for election as a director at the Company's 1997 Annual Meeting of Shareholders to fill a current vacancy thereon.

(7) Mr. Lassers served as President and Chief Executive Officer and a director of the Company from May 1995 until March 26, 1996. He has not been affiliated with the Company since such date.

(8) Does not include shares owned by Jonathan B. Lassers. See Footnote (7) above.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Acquisition of Software Associates and Megascore. On November 30, 1996, pursuant to the Stock Purchase Agreement dated such date among the Company, Software Associates and Kenneth R. Konikowski, the sole shareholder of Software Associates (the "SA Agreement"), the Company exchanged 860,000 shares of the Common Stock for all of the issued and outstanding capital stock of Software Associates. Software Associates is presently a wholly-owned subsidiary of the Company. It is engaged in the business of helping companies realize the benefits of expanding their data processing and electronic communications infrastructures through the use of Electronic Data Interchange ("EDI").

Pursuant to the SA Agreement, Kenneth R. Konikowski was named Executive Vice President and a director of the Company, and the Employment Agreement was executed. The Company further agreed to issue to Mr. Konikowski up to 1,140,000 additional shares of its Common Stock in the event the average closing bid price of the Common Stock does not equal $3.375 per share for the five trading days immediately prior to January 30, 1999. If any such additional shares are issued, the ownership interest of the other holders of Common Stock will be diluted in favor of Mr. Konikowski. On a pro forma basis assuming all of such shares were issued to Mr. Konikowski on April 14, 1997, Mr. Konikowski would own 22.7% of the outstanding Common Stock, and Steve L. Vanechanos, Jr. and Steve Vanechanos, Sr. would own 21.5% and 21.3% of the outstanding Common Stock, respectively.

Pursuant to a letter agreement dated April 17, 1997 between the Company and Mr. Konikowski, the 1,140,000 shares and $3.375 per share price are subject to adjustment pursuant to any stock split, dividend, reclassification or combination (such as the Company's proposed 0.2608491-for-one reverse

stock split pursuant to which such amount and price will be adjusted to 297,368 shares and $12.939 per share, respectively).

On September 30, 1996, pursuant to the Stock Purchase Agreement dated such date among the Company, Megascore and its shareholders, the Company acquired all of the issued and outstanding capital stock of Megascore in exchange for 50,000 shares of Common Stock. Prior to such acquisition, Steve L. Vanechanos, Jr. and Steve Vanechanos, Sr. were the President and Vice President, Treasurer and Secretary, respectively, and collectively owned of record 76.4% of the outstanding capital stock, of Megascore. Megascore is presently a wholly-owned subsidiary of the Company. It is a full-service systems integrator specializing in distribution, accounting and point-of-sale computer software consulting services for suppliers and retailers.

Significant Shareholder. As of March 26, 1997, Michael Vanechanos is the beneficial owner of 602,577 shares of Common Stock (7.86%). He purchased 327,577 of those shares from the Company for $100,000 in January 1996, and received 275,000 of those shares as a finder's fee from Berkshire Financial Corp. in connection with the Company's acquisition of DWTS. Mr. Vanechanos is presently employed as a securities trader at H.J. Meyers & Co., Inc. H.J. Meyers & Co., Inc. served as placement agent for the Private Placement and, in consideration therefor, received a fee of $60,000. Michael Vanechanos is the brother of Steve L. Vanechanos, Jr., the Company's Chairman of the Board, President and Chief Executive Officer, and is the son of Steve Vanechanos, Sr., the Company's Vice President, Treasurer, Secretary and a director. See "Item 11. Security Ownership of Certain Beneficial Owners and Management."

Office Lease. The Company leases a portion of its office facility from the Mark Group, a partnership in which Kenneth R. Konikowski, the Executive Vice

President of the Company and a director, is a partner. The annual rent under such lease is $37,500, subject to annual increases of up to 5%.

ITEM 13. EXHIBITS, LIST AND REPORTS ON FORM 8-K.

(a) Exhibits.

The Exhibits required in response to this item are as follows:

Exhibit No.	Description
3.1.1	Certificate of Incorporation of the Registrant as filed with the Secretary of State of New Jersey on August 7, 1979 (incorporated by reference to Exhibit 3.1.1 filed with Registrant's Report on Form 10-K for the Year ended December 31, 1991).
3.1.2	Certificate of Amendment to Registrant's Certificate of Incorporation, as filed with the Secretary of State of New Jersey on May 19, 1980 (incorporated by reference to Exhibit 3.1.2 filed with Registrant's Report on Form 10-K for the Year ended December 31, 1991).
3.1.3	Certificate of Amendment to Registrant's Certificate of Incorporation, as filed with the Secretary of State of New Jersey on April 1981 (incorporated by reference to Exhibit 3.1.3 filed with Registrant's Report on Form 10-K for the Year ended December 31, 1991).

3.1.4	Certificate of Amendment of Registrant's Certificate of Incorporation, as filed with the Secretary of State of New Jersey on April 24, 1986 (incorporated by reference to Exhibit 3.1.4 filed with Registrant's Year ended December 31, 1991).
3.1.5	Certificate of Amendment to Registrant's Certificate of Incorporation, as filed with the Secretary of State of New Jersey on July 15, 1988 (incorporated by reference to Exhibit 3.1.5 filed with Registrant's Report on Form 10-K for the Year ended December 31, 1991).
3.1.6	Certificate of Amendment to Registrant's Certificate of Incorporation, as filed with the Secretary of State of New Jersey on November 28, 1989 (incorporated by reference to Exhibit 3.1.6 filed with Registrant's Report on Form 10-K for the Year ended December 31, 1991).
3.1.7	Certificate of Amendment to the Registrant's Certificate of Incorporation, as filed with the Secretary of State of New Jersey on August 15, 1994 (incorporated by reference to Exhibit 3.1.7 filed with the Registrant's Report on Form 10-K for the year ended December 31, 1994).
3.1.8	Certificate of Amendment to Registrant's Certificate of Incorporation, as filed with the Secretary of State of New Jersey on May 14, 1996, changing the name of the Company to DynamicWeb Enterprises, Inc. (incorporated by reference to Exhibit 3.2.3 filed with Registrant's Form 10-KSB for December 31, 1995).
3.2.1	Bylaws of the Registrant adopted August 7, 1979 (incorporated by reference to Exhibit 3.2.1 filed with Registrant's Report on Form 10-K for the Year ended December 31, 1991).
3.2.2	Amendments adopted March 8, 1982 to Bylaws of the Registrant (incorporated by reference to Exhibit 3.2.2 filed with Registrant's Report on Form 10-K for the Year ended December 31, 1991).
3.2.3	Amended and Restated Bylaws of the Registrant adopted March 7, 1997.
10.1	Release and Severance Agreement dated February 12, 1993 between Seahawk Capital Corporation and Robert S. Friedenberg (incorporated by reference to Exhibit 10.2 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992).
10.2	Agreement dated February 24, 1995 between the Registrant and Jonathan B. Lassers as to the purchase of common stock (incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K dated as of May 8, 1995).
10.3	Amendment Agreement dated May 1, 1995 between the Registrant and Jonathan B. Lassers as to the purchase of common stock and common stock purchase warrants (incorporated by reference to Exhibit 10.2 to Registrant's Current Report on Form 8-K dated as of May 8, 1995).

10.4 Agreement dated February 29, 1996 between the Registrant and Jonathan B. Lassers as to the exchange of common stock for his common stock purchase warrants.

10.5 Stock Exchange Agreement dated as of December 31, 1994 among the Registrant, John C. Fitton and Seahawk Overseas Exploration Corporation (incorporated by reference to Exhibit 10.4 to Registrant's Current Report on Form 8-K dated as of May 8, 1995).

10.6 Stock Purchase Agreement dated March 5, 1996 among the Registrant, DynamicWeb Transaction Systems, Inc. ("DWTS") and the shareholders of DWTS (incorporated by reference to Exhibit 10.14 to Registrant's Annual Report on Form 10-KSB for the year ended December 31, 1995).

10.7 Amendment to Stock Purchase Agreement dated May 14, 1996 between the Registrant and DWTS (incorporated by reference to Exhibit 10.14(A) to Registrant's Annual Report on Form 10-KSB for the year ended December 31, 1995).

10.8 Amendment to Stock Purchase Agreement dated June 13, 1996 between the Registrant and DWTS (incorporated by reference to Exhibit 10.14(B) to Registrant's Form 10-QSB for the period ended March 31, 1996).

10.9 Stock Purchase Agreement dated September 30, 1996 among the Registrant, Megascore, Inc. and the shareholders of Megascore, Inc. (incorporated by reference to Exhibit 1 to the Registrant's Current Report on Form 8-K dated November 30, 1996).

10.10 Stock Purchase Agreement dated November 30, 1996 among the Registrant, Software Associates, Inc. and Kenneth R. Konikowski (incorporated by reference to Exhibit 2 to the Registrant's Current Report on Form 8-K dated November 30, 1996).

10.11 Amendment to Stock Purchase Agreement dated April 7, 1997 between the Registrant and Kenneth R. Konikowski.

10.12 Lock-Up Agreement dated November 30, 1996 among the Registrant, Steve L. Vanechanos, Jr. and Kenneth R. Konikowski.

10.13 Employment Agreement dated December 1, 1996 between the Registrant and Kenneth R. Konikowski.

10.14 DynamicWeb Enterprises, Inc. 1997 Employee Stock Option Plan (incorporated by reference to Annex B to the Registrant's Information Statement filed May 15, 1997, pursuant to Section 14(c) of the Securities Exchange Act of 1934).

10.15 DynamicWeb Enterprises, Inc. 1997 Stock Option Plan for Outside Directors (incorporated by reference to Annex C to the Registrant's Information Statement filed May 15, 1997, pursuant to Section 14(c) of the Securities Exchange Act of 1934).

10.16 Lease Agreement dated November 1, 1996 between Beauty and Barber Institute, Inc. and DynamicWeb Transaction Systems, Inc.

10.17 Lease Agreement dated July 1, 1994 between Software Associates, Inc. and The Mask Group.

16.1 Letter on change in certifying accountant (R. Andrew Gately & Co.) (incorporated by reference to Exhibit 16.1 to Registrant's Current Report on Form 8-K dated February 19, 1997 (to be filed by amendment)).

16.2 Letter on change in certifying accountant (Allen G. Roth, P.A.) (incorporated by reference to Exhibit 16.2 to the Registrant's Current Report on Form 8-K dated February 19, 1997, as amended by Amendment dated March 12, 1997).

21.1 Subsidiaries of the Registrant.

27.0 Financial Data Schedule.

(b) Reports on Form 8-K.

The Registrant did not file any reports on Form 8-K for the quarter ended September 30, 1996.

Signatures

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

May 15, 1997 DYNAMICWEB ENTERPRISES, INC.

By /s/ Steve L. Vanechanos, Jr.

Steve L. Vanechanos, Jr.,
President

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

<TABLE>

<S>	<C>	<C>
/s/ Steve L. Vanechanos, Jr.	President and Chief Executive Officer, Director	May 15, 1997
/s/ Steve L. Vanechanos, Sr.	Treasurer, Chief Financial Officer, and Chief Accounting Officer, Director	May 15, 1997
/s/ Frank T. DiPalma	Director	May 15, 1997
/s/ F. Patrick Ahearn	Director	May 15, 1997
/s/ Robert Droste	Director	May 15, 1997
/s/ Kenneth R. Konikowski	Director	May 15, 1997

</TABLE>

EXHIBIT 3.2.3

AMENDED AND RESTATED BY-LAWS OF DYNAMICWEB ENTERPRISES, INC.

ARTICLE I- OFFICES

Section 1. Initial Registered Office/Agent: The registered office of the corporation shall be 271 Route 46 West, Building F, Suite 209, Fairfield, New Jersey 07004 and the registered agent at said address shall be Steve Vanechanos, Jr.

Section 2. Additional Offices: The corporation may have such other offices either within or without the State of New Jersey as the Board of Directors may designate or as the business of the corporation may require from time to time.

ARTICLE II - SEAL

Section 1. Corporate Seal: The corporate seal shall have inscribed thereon the name of the corporation, the year of its creation and the words "Incorporated, NEW JERSEY."

ARTICLE III - SHAREHOLDERS' MEETINGS

Section 1. Place of Shareholders' Meetings: All meetings of the shareholders shall be held at the registered office of the corporation or at such other place or places, either within or without the State of New Jersey, as may from time to time be selected by the Board of Directors.

Section 2. Annual Meetings: After the fiscal year ending September 30, 1997, the annual meeting of shareholders shall be held on the first Thursday of February in each year if not a legal holiday, and if a legal holiday, then on the next full business day following, at ten o'clock A.M., or on such other day as may be fixed by the Board. At the annual meeting the shareholders shall elect, by a plurality vote, a Board of Directors, and transact such other business as may properly be brought before the meeting. If the annual meeting for election of directors is not held on the day designated therefor, the directors shall cause the meeting to be held as soon thereafter as convenient. Failure to hold the annual meeting at the designated time shall not cause a forfeiture or dissolution of the corporation.

Section 3. Special Meetings: Special meetings of the shareholders may be called by the President or the Board of Directors, but not by the shareholders unless otherwise required by law.

Section 4. Notice of Shareholders' Meetings: Written notice of the time, place and purpose or purposes of every meeting of shareholders shall be given not less than ten nor more than sixty days before the date of the meeting, either personally or by mail, to each shareholder of record entitled to vote at the meeting, unless a greater period of notice is required by statute in a particular case. When a meeting is adjourned to another time or place, it shall not be necessary to give notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken and at the adjourned meeting only such business is transacted as might have been transacted at the original meeting. However, if after the adjournment the Board fixes a new record date for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder of record entitled to notice of the new record date.

Section 5. Waiver of Notice: Notice of a meeting need not be given to any shareholder who signs a waiver of such notice, in person or by proxy, whether before or after the meeting. The attendance of any shareholder at a meeting, in person or by proxy, without protesting prior to the conclusion of

the meeting the lack of notice of such meeting, shall constitute a waiver of notice by him.

Section 6. Action by Shareholders Without Meeting:

(1) Any action required or permitted to be taken at a meeting of shareholders by statute, the Certificate of Incorporation or these By-Laws of the corporation, may be taken without a meeting if all of the shareholders entitled to vote thereon unanimously consent thereto in writing, except as otherwise provided in the Business Corporation Act (the "Act"). In case the corporation is involved in a merger, consolidation or other type of acquisition or disposition regulated by Chapters 10 and 11 of the Act, the pertinent provisions of the Act should be referred to and strictly complied with.

(2) Whenever action is taken pursuant to subsection (1) of this section, the written consents of the shareholders consenting thereto or the written report of inspectors appointed to tabulate such consents shall be filed with the minutes or proceedings of shareholders.

(3) Except as set forth above regarding the unanimous consent of shareholders, no action required to be taken or which may be taken at any annual or special meeting of shareholders of the corporation may be taken without a meeting, and the power of the shareholders of the corporation to consent in writing to an action without a meeting is specifically denied.

Section 7. Fixing Record Date:

(1) The Board may fix, in advance, a date as the record date for determining the corporation's shareholders with regard to any corporate action or event and, in particular, for determining the shareholders who are entitled to:

(a) notice of or to vote at any meeting of shareholders or any adjournment thereof;

(b) consent in writing to any action without a meeting; or,

(c) receive payment of any dividend or allotment of any right.

The record date may in no case be more than 60 days prior to the shareholders' meeting or other corporate action or event to which it relates. The record date for a shareholders' meeting may not be less than 10 days before the date of the meeting.

(2) If no record date is fixed,

(a) the record date for a shareholders' meeting shall be the close of business on the day next preceding the day on which notice is given, or, if no notice is given, the day next preceding the day on which the meeting is held; and,

(b) the record date for determining shareholders for any other purpose shall be at the close of business on the day on which the resolution of the Board relating thereto is adopted.

(3) When a determination of shareholders of record for a shareholders' meeting has been made as provided in this section, such determination shall apply to any adjournment thereof, unless the Board fixes a new record date under this section for the adjourned meeting.

Section 8. Voting Lists: The officer or agent having charge of the stock transfer books for shares of the corporation shall make and certify a complete list of shareholders entitled to vote at a shareholders' meeting or any adjournment thereof. Such list shall be arranged alphabetically within each class, series or group of shareholders maintained by the corporation for convenience of reference, with the address of, and the number of shares held by, each shareholder; be produced at the time and place of the meeting; be subject

to the inspection of any shareholder during the whole time of the meeting; and be prima facie evidence as to who are the shareholders entitled to examine such list or vote at any meeting.

Section 9. Quorum: Unless otherwise provided in the Certificate of Incorporation or by statute, the presence, in

person or by proxy, of shareholders entitled to cast at least a majority of the votes which all shareholders are entitled to cast shall constitute a quorum of shareholders at any annual or special meeting of shareholders of the corporation. The shareholders present in person or by proxy at a duly organized meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum. If there is less than a quorum, the meeting may adjourn. Whenever the holders of any class or series of shares are entitled to vote separately on a specified item of business, the provisions of this section shall apply in determining the presence of a quorum of such class or series for the transaction of such specified item of business.

Section 10. Voting:

(1) Each outstanding share of common stock shall be entitled to one vote on each matter submitted to a vote at a meeting of shareholders, except as otherwise provided by statute or in the Certificate of Incorporation.

(2) Whenever any action, other than the election of directors, is to be taken by vote of the shareholders, it shall be authorized by a majority of the votes cast at a meeting of shareholders at which a quorum is present by the holders of shares entitled to vote thereon, unless a greater plurality is required by statute or by the Certificate of Incorporation.

Section 11. Proxy Voting:

(1) Every shareholder entitled to vote at a meeting of shareholders or to express consents without a meeting may authorize another person or persons to act for him by proxy. Every proxy shall be executed in writing by the shareholder or his agent, except that a proxy may be given by a shareholder or his agent by telegram or cable or by any means of electronic communication which results in a writing. No proxy shall be valid for more than eleven months unless a longer time is expressly provided therein, but in no event shall a proxy be valid after three years from the date of execution. Unless it is irrevocable as provided in subsection 11(3) below, a proxy shall be revocable at will. The grant of a later proxy revokes any earlier proxy unless the earlier proxy is irrevocable. A proxy shall not be revoked by the death or incapacity of the shareholder but the proxy shall continue in force until revoked by the personal representative or guardian of the shareholder. The presence at any meeting of any shareholder who has given a proxy does not revoke the proxy unless the shareholder files written notice of the revocation with the Secretary of the meeting prior to the voting of the proxy or votes the share subject to the proxy by written ballot.

(2) A person named in a proxy as the attorney or agent of a shareholder may, if the proxy so provides, substitute

another person to act in his place, including any other person named as an attorney or agent in the same proxy. The substitution shall not be effective until an instrument effecting it is filed with the secretary of the corporation.

(3) A proxy which states that it is irrevocable is irrevocable if coupled with an interest either in the stock itself or in the corporation and, in particular and without limitation, if it is held by any of the following or a nominee of any of the following:

(a) A pledgee;

(b) A person who has purchased or agreed to

purchase the shares;

(c) A creditor of the corporation who has extended credit or has agreed to continue to extend credit to the corporation if the proxy is given in consideration of the extension or continuation;

(d) A person who has agreed to perform services as an employee of the corporation if the proxy is given in consideration of the agreement; or

(e) A person designated pursuant to the terms of an agreement as to voting between two or more shareholders.

An irrevocable proxy becomes revocable when the interest which supports the proxy has terminated.

(4) Unless noted conspicuously on the share certificate, an otherwise irrevocable proxy may be revoked by a person who becomes the holder of the shares without actual knowledge of the restriction.

Section 12. Election of Directors: At each election of directors, every shareholder entitled to vote at such election shall have the right to vote the number of shares owned by him for as many persons as there are directors to be elected and for whose election he has a right to vote. Shareholders shall not be permitted to cumulate their votes in the election of directors. Directors shall be elected by a plurality of the votes cast at the election, except as otherwise provided by the Certificate of Incorporation.

Section 13. Inspectors of Election: The Board may, in advance of any shareholders' meeting, appoint one or more inspectors to act at the meeting or any adjournment thereof and make a written report thereof. If inspectors to act at any meeting of shareholders are not so appointed or shall fail to qualify, the person presiding at a shareholders' meeting may, and on the request of any shareholder entitled to vote thereat shall,

make such appointment. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his ability. No person shall be elected a director in an election for which he has served as an inspector.

ARTICLE IV - DIRECTORS

Section 1. General: The business and affairs of this corporation shall be managed by its Board of Directors, consisting of not less than five (5) nor more than twenty-five (25) in number. The directors of the corporation may be divided into classes if and as so provided in the Certificate of Incorporation. A director shall be at least eighteen years of age and need not be a United States citizen or a resident of this State. Unless waived by the Board of Directors, in order to qualify for election as a director, a person must have been a shareholder of record of the corporation for a period of time equal to the lesser of (i) three (3) years or (ii) the time elapsed since March 26, 1996. Except as set forth in Article VI hereof regarding the filling of vacancies on the Board of Directors, each director shall be elected by the shareholders at an annual meeting of shareholders of the corporation, and shall be elected until his successor shall be elected and shall qualify, subject to earlier termination by removal or resignation.

Section 2. First Meeting After Election: After the election of the directors, the newly elected Board may meet at such place and time as shall be fixed by the vote of the shareholders at the annual meeting, for the purpose of electing the officers of the corporation and otherwise, and no notice of such meeting shall be necessary to the newly elected directors in order to legally constitute the meeting; provided a majority of the whole Board shall be present; or such place and time may be fixed by the consent in writing of the directors.

Section 3. Regular Meetings: Regular meetings of the Board shall be held without notice from time to time at the registered office of the corporation, or at such other time and place as shall be determined by the Board.

Section 4. Quorum: A majority of the entire Board, or of any committee thereof, shall constitute a quorum for the transaction of business, unless the Certificate of Incorporation or these By-Laws provide that a greater or lesser proportion shall constitute a quorum. Any action of the majority of the votes of the directors present at a meeting at which a quorum is present shall be the act of the Board or of the committee, unless by statute, the Certificate of Incorporation, or these By-Laws require a greater proportion including a unanimous consent.

Section 5. Action of Directors Without a Meeting: Any action required or permitted to be taken pursuant to authorization voted at a meeting of the Board or any committee thereof, may be taken without a meeting if, prior or subsequent to such action, all members of the Board or of such committee, as the case may be, consent thereto in writing and the written consents are filed with the minutes of the proceedings of the Board or committee. Such consent shall have the same effect as a unanimous vote of the Board or Committee for all purposes, and may be stated as a unanimous vote in any certificate or other document filed with the Secretary of State of New Jersey.

Section 6. Special Meetings: Special meetings of the Board may be called by the President upon two days' notice to each director, either personally or by mail; special meetings may be called in like manner and on like notice, on the written request of any director.

Section 7. Waiver of Notice: Notice of any meeting need not be given to any director who signs a waiver of notice, whether before or after the meeting. The attendance of any director at a meeting without protesting prior to the conclusion of the meeting the lack of notice of such meeting shall constitute a waiver of notice by him. Neither the business to be transacted at, nor the purposes of any meeting of the Board need be specified in the notice or waiver of notice of such meeting. Notice of an adjourned meeting need not be given if the time and place are fixed at the meeting adjourning and if the period of adjournment does not exceed ten days in any one adjournment.

Section 8. Power of Directors:

(1) The Board of Directors shall have the management of the business of the corporation. In addition to the powers and authorities by these By-Laws expressly conferred upon them, the Board may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by these By-Laws directed or required to be exercised or done by the shareholders.

(2) In discharging his duties to the corporation and in determining what he reasonably believes to be in the best interest of the corporation, a director may, in addition to considering the effects of any action on shareholders, consider any of the following: (a) the effects of the action on the corporation's employees, suppliers, creditors, and customers; (b) the effects of the action on the community in which the corporation operates; and (c) the long term as well as the short-term interests of the corporation and its shareholders, including the possibility that these interests may best be served by the continued independence of the corporation.

(3) If on the basis of the factors described in subsection (2) of this Section 8, the Board of Directors

determines that any proposal or offer to acquire the corporation is not in the best interest of the corporation, it may reject such proposal or offer. If the Board of Directors determines to reject any such proposal or offer, the Board of Directors shall have no obligation to facilitate, remove any barriers to, or refrain from impeding the proposal or offer.

Section 9. Compensation of Directors: The Board, by the affirmative vote of a majority of directors in office and irrespective of any personal interest of any of them, shall have authority to establish reasonable

compensation of directors for services to the corporation as directors, officers or otherwise.

Section 10. Committees:

(1) If deemed advisable, the Board of Directors, by resolution adopted by a majority of the entire Board, may appoint from among its members an executive committee and one or more other committees, each of which shall have one or more members. To the extent provided in such resolution, each such committee shall have and may exercise all the authority of the Board, except that no such committee shall make, alter or repeal any By-Law of the corporation; elect or appoint any director, or remove any officer or director; submit to shareholders any action that requires shareholders' approval; or amend or repeal any resolution theretofore adopted by the Board which by its terms is amendable or repealable only by the Board.

(2) There shall be a standing committee of the Board of Directors to be known as the Audit Committee. The members of the Audit Committee shall consist exclusively of directors who are not officers or employees of the corporation or of any entity controlling, controlled by or under common control with the corporation and who are not beneficial owners of a controlling interest in the voting stock of the corporation or of any such entity. The Audit Committee shall: (i) make recommendations to the Board of Directors as to the independent accountants to be appointed by the Board, (ii) review with the independent accountants the scope of their examination, (iii) receive the reports of the independent accountants and meet with the representatives of such accountants for the purpose of reviewing and considering questions relating to their examination and such reports, (iv) review the internal accounting and auditing procedures of the corporation, and (v) perform such other duties as may be assigned to it from time to time by the Board of Directors.

(3) The Board, by resolution adopted by a majority of the entire Board, may fill any vacancy in any committee; appoint one or more directors to serve as alternate members of any committee to act in the absence or disability of members of any committee with all the powers of such absent or disabled members; abolish any committee at its pleasure; and remove any director

from membership on any committee at any time, with or without cause.

(4) Actions taken at a meeting of any committee shall be reported to the Board at its next meeting following such committee meeting; except that, when the meeting of the Board is held within two days after the committee meeting, such report shall, if not made at the first meeting, be made to the Board at its second meeting following such committee meeting.

(5) The designation of any committee and the delegation thereto of authority shall not operate to relieve the Board, or any member thereof, of any responsibility imposed by law.

Section 11. Director Conflicts of Interest:

(1) No contract or other transaction between a corporation and one or more of its directors, or between a corporation and any domestic or foreign corporation, firm or association of any type or kind in which one or more of its directors are directors or are otherwise interested, shall be void or voidable solely by reason of such common directorship or interest, or solely because such director or directors are present at the meeting of the board or a committee thereof which authorizes or approves the contract or transaction, or solely because his or their votes are counted for such purpose, if any one of the following is true:

(a) The contract or other transaction is fair and reasonable as to the corporation at the time it is authorized, approved or ratified; or

(b) The fact of the common directorship or interest is disclosed or known to the board or committee and the board or committee authorizes, approves or ratified the contract or transaction by unanimous written consent, provided at least one director or consenting is disinterested, or by affirmative vote of a majority of the disinterested directors, even though

the disinterested directors be less than a quorum; or

(c) The fact of the common directorship or interest is disclosed or known to the shareholders, and they authorize, approve or ratify the contract or transaction.

(2) Common or interested directors may be counted in determining the presence of a quorum at a Board or committee meeting at which a contract or transaction described in subsection 11(1) above, is authorized, approved or ratified.

(3) The Board, by the affirmative vote of a majority of directors in office and irrespective of any personal interest of any of them, shall have authority to establish reasonable

compensation of directors for services to the corporation as directors, officers, or otherwise.

Section 12. Liability of Directors; Presumption of Assent to Action Taken at a Meeting: A director of a corporation who is present at a meeting of the Board, or any committee thereof of which he is a member, shall be presumed to have concurred in the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before or promptly after the adjournment thereof. Such right to dissent shall not apply to a director who voted in favor of such action, or a director who is absent from a meeting of the Board or any committee thereof. A director who is absent from a meeting of the Board, or any committee thereof of which he is a member, at which any such action is taken shall be presumed to have concurred in the action unless he shall file his dissent with the secretary of the corporation within a reasonable time after learning of such action.

Section 13. Liability of Directors; Reliance on Records and Reports:

(1) Directors and members of any committee designated by the Board shall discharge their duties in good faith and with that degree of diligence, care and skill which ordinarily prudent people would exercise under similar circumstances in like positions.

(2) In discharging their duties, directors and members of any committee designated by the Board shall not be liable if, acting in good faith, they rely:

(a) upon the written opinion of counsel for the corporation;

(b) upon written reports setting forth financial data concerning the corporation and prepared by an independent public accountant or certified public accountant or firm of such accountants;

(c) upon financial statements, books of account or reports of the corporation represented to them to be correct by the president, the officer of the corporation having charge of its books of account, or the person presiding at a meeting of the Board; or

(d) upon written reports of committees of the Board.

(3) A director shall not be personally liable to the corporation or its shareholders for damages for breach of duty as a director if and to the extent that such liability has been

eliminated or limited by a provision in the Certificate of Incorporation or authorized by statute.

(4) In taking action, including without limitation, action which may involve or relate to a change or potential change in the control of the corporation, a director shall be entitled to consider, without limitation,

both the long-term and the short-term interests of the corporation and its shareholders. For the purpose of this subsection, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of the corporation, whether through the ownership of voting shares, by contract or otherwise.

ARTICLE V - OFFICERS

Section 1. Officers:

(1) The officers of the corporation shall consist of a President, one or more Executive Vice Presidents and Vice Presidents, a Secretary, a Treasurer and, if desired, a Chairman of the Board, and such other officers as may be required. They shall be elected annually by the Board of Directors and shall hold office for until their successors are elected and have qualified, subject to earlier termination by removal or resignation. The Board may also choose such employees and agents as it shall deem necessary, who shall hold their offices for such terms shall have such authority and shall perform such duties as from time to time shall be prescribed by the Board.

(2) Any two or more offices may be held by the same person but no officer shall execute, acknowledge, or verify any instrument in more than one capacity if such instrument is required by law or by these By-Laws to be executed, acknowledged, or verified by two or more officers.

Section 2. Salaries: The salaries of all officers, employees and agents of the corporation shall be fixed by the Board of Directors.

Section 3. President: The President shall be the Chief Executive Officer of the corporation; shall preside at all meetings of the shareholders and directors; shall have general and active management of the business of the corporation; and shall see that all orders and resolutions of the Board are carried into effect, subject, however, to the right of the directors to delegate any specific powers, except such as may by statute exclusively be conferred on the President, to any other officer or officers of the corporation. He shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation. He shall have the general powers and duties of supervision and management usually vested in the office of President of a corporation.

Section 4. Executive Vice Presidents and Vice Presidents: Each Executive Vice President and Vice President, if any have been appointed, shall be vested with all the powers and be required to perform all of the duties delegated to him by the Board of Directors or the President. One Executive Vice President or Vice President shall be designated by the Board of Directors to perform all the duties of the President in his absence.

Section 5. Chairman of the Board: The Chairman of the Board, if one has been appointed, shall exercise such powers and perform such duties as shall be provided in the resolution proposing that a Chairman of the Board be elected.

Section 6. Secretary: The Secretary shall keep full minutes of all meetings of the shareholders and directors; he shall be Ex-Officio Secretary of the Board of Directors; he shall attend all sessions of the Board, shall act as clerk thereof, and record all votes and the minutes of all proceedings in a book to be kept for that purpose; and shall perform like duties for the standing committees when required. He shall give or cause to be given notices of all meetings of the shareholders of the corporation and the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the President, under whose supervision he shall be.

Section 7. Assistant Secretary: The Assistant Secretary, if any, or Assistant Secretaries if more than one, shall perform the duties of the Secretary in his or her absence and shall perform other duties as the board of directors, the President or the Secretary may from time to time designate.

Section 8. Treasurer: The Treasurer shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation, and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation, in such depositories as may be designated by the

Board of Directors. He shall disburse the funds of the corporation as may be ordered by the Board or the President, taking proper vouchers for such disbursements, and shall render to the President and Board of Directors, at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the corporation, and shall, if requested by the Board, submit a full financial report at the annual meeting of the shareholders.

ARTICLE VI - VACANCIES, RESIGNATION & REMOVAL

Section 1. Vacancies in the Board of Directors:

(1) Any directorship not filled at the annual meeting, and any vacancy, however caused, including vacancies resulting from an increase in the number of directors, occurring in the Board may be filled by the affirmative vote of a majority of the

remaining directors even though less than a quorum of the Board, or by a sole remaining director. A director so elected by the Board shall hold office until the next succeeding annual meeting of shareholders and until his successor shall have been elected and qualified.

(2) Any directorship not filled by the Board may be filled by the shareholders at a meeting of shareholders called for that purpose.

Section 2. Vacancies in Offices: Any vacancy occurring among the officers, however caused, shall be filled by the Board of Directors.

Section 3. Resignations: Any director or other officer may resign by written notice to the corporation. The resignation shall be effective upon receipt thereof by the corporation or at such subsequent time as shall be specified in the notice of resignation.

Section 4. Removal of Directors: One or more or all the directors of the corporation may be removed for cause by the affirmative vote of the majority of the votes which all shareholders would be entitled to cast at an annual election of directors. No act of the Board done during the period when a director has been suspended or removed for cause shall be impugned or invalidated solely on account of the suspension or removal being thereafter rescinded by the shareholders or by the Board or by the final judgment of a court of competent jurisdiction.

Section 5. Removal of Officers: Any officer elected by the Board of Directors may be removed by the Board with or without cause. The removal of an officer shall be without prejudice to his contract rights, if any. Election of an officer shall not of itself create contract rights.

ARTICLE VII - SHARE CERTIFICATES

Section 1. Share Certificates: The shares of the corporation shall be represented by certificates. Certificates shall be signed by, or in the name of the corporation by the President and may be counter-signed by the Secretary or Treasurer or an Assistant Secretary and may be sealed with the seal or the corporation or a facsimile thereof. Any or all signatures on a certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon such certificate, shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent or registrar at the date of its issue.

Section 2. Transfers: All transfers of the shares of the corporation shall be made upon the books of the corporation by the holders of the shares in person, or by their legal representatives. Share certificates shall be surrendered and canceled at the time of transfer. The shares of the corporation shall be personal property and shall be transferable in accordance with the provisions of Chapter 8 of the New Jersey Uniform Commercial Code, as amended

from time to time, except as provided by statute.

Section 3. Loss of Certificates: In the event that a share certificate shall be lost, destroyed or mutilated, a new certificate may be issued therefor upon such terms and indemnity to the corporation as the Board of Directors may prescribe.

ARTICLE VIII - MISCELLANEOUS PROVISIONS

Section 1. Monetary Disbursements: All checks or demands for money and notes of the corporation shall be signed by such officer or officers as the Board of Directors may from time to time designate.

Section 2. Fiscal Year: The fiscal year of the corporation shall end on the 30th day of September each year.

Section 3. Dividends: Subject to any restrictions contained in the Certificate of Incorporation and by statute, the corporation may, from time to time, by resolution of the Board, declare and pay dividends on its shares in cash, in its own shares, in its bonds or in other property, including the shares or bonds of other corporations.

Section 4. Giving Notice:

(1) Whenever written notice is required to be given to any person, it may be given to such person, either personally or by sending a copy thereof by telefacsimile or through the mail. If notice is given by mail, the notice shall be deemed to be given when deposited in the mail addressed to the person to whom it is directed at his last address as it appears on the records of the corporation, with postage prepaid thereon. Such notice shall specify the place, day and hour of the meeting and, in the case of shareholders' meeting, the general nature of the business to be transacted.

(2) In computing, the period of time for the giving of any notice required or permitted by statute, or by the Certificate of Incorporation or these By-Laws or any resolution of directors or shareholders, the day on which the notice is given shall be excluded, and the day on which the matter noticed is to occur shall be included.

Section 5. Loans to Directors, Officers or Employees: The corporation may lend money to, or guarantee any obligation of, or

otherwise assist, any director, officer or employee of the corporation or of any subsidiary, whenever, in the judgment of the directors, such loan, guarantee or assistance may reasonably be expected to benefit the corporation. The loan, guarantee or other assistance may be made with or without interest, and may be unsecured, or secured in such manner as the Board shall approve, including without limitation, a pledge of shares of the corporation, and may be made upon such other terms and conditions as the Board may determine.

Section 6. Disallowed Compensation: Any payments made to an officer or employee of the corporation such as a salary, commission, bonus, interest, rent, travel or entertainment expense incurred by him, which shall be disallowed in whole or in part as a deductible expense by the Internal Revenue Service, shall be reimbursed by such officer or employee to the corporation to the full extent of such disallowance. It shall be the duty of the directors, as a Board, to enforce payment of each amount disallowed. In lieu of payment by the officer or employee, subject to the determination of the directors, proportionate amounts may be withheld from his future compensation payments until the amount owed to the corporation has been recovered.

Section 7. Meetings by Conference Telephone: Where appropriate communication facilities are reasonably available, any or all directors shall have the right to participate in all or any part of a meeting of the Board or a committee of the Board by means of telephone conference or any means of communication by which all persons participating in the meeting are able to hear each other.

Section 8. Books and Records of Accounts: The corporation shall keep books and records of account and minutes of the proceedings of the shareholders,

Board of Directors and executive committee, if any, either within or without this State. The corporation shall keep at its principal office, registered office, or at the office of a transfer agent, a record or records containing the names and addresses of all shareholders, the number, class and series of shares held by each and the dates when they respectively became the owners of record thereof. Any of the foregoing books, minutes or records may be in written form or in any other form capable of being converted into readable form within a reasonable time. The corporation shall convert into readable form without charge any such records not in such form, upon the written request of any person entitled to inspect them.

ARTICLE IX - AMENDMENTS

Section 1. Except as otherwise provided in the Certificate of Incorporation or by statute, the authority to make, amend, alter, change or repeal the By-Laws of the corporation is hereby expressly and solely granted to and vested in the Board of Directors of the corporation, subject always to the power of the shareholders to change such action by the affirmative vote of shareholders of the corporation entitled to cast at least 66-2/3 percent (66-2/3%) of the votes which all shareholders are entitled to cast.

ARTICLE X - INDEMNIFICATION OF DIRECTORS OFFICERS AND EMPLOYEES

Section 1. Definitions: As used in this Article:

(1) "corporate agent" means any person who is or was a director, officer, employee or agent of the indemnifying corporation or of any constituent corporation absorbed by the indemnifying corporation in a consolidation or merger and any person who is or was a director, officer, trustee, employee or agent or any other enterprise, serving as such at the request of the indemnifying corporation, or of any such constituent corporation, or the legal representative of any such director, officer, trustee, employee or agent;

(2) "other enterprise" means any domestic or foreign corporation, other than the indemnifying corporation, and any partnership, joint venture, sole proprietorship, trust employee benefit plan or other enterprise, whether or not for profit, served by a corporate agent;

(3) "expenses" means reasonable costs, disbursements and counsel fees;

(4) "liabilities" means amounts paid or incurred in satisfaction of settlements, judgments, fines and penalties; and

(5) "proceedings" means any pending, threatened or completed civil, criminal, administrative or arbitrative action, suit or proceeding, and any appeal therein and any inquiry or investigation which could lead to such action, suit or proceeding.

Section 2. Third Party Actions: Unless otherwise provided in the Certificate of Incorporation or by statute, the corporation shall have the power to indemnify a corporate agent against his expenses and liabilities in connection with any proceeding involving the corporate agent by reason of his being or having been such a corporate agent, other than a proceeding by or in the right of the corporation, if

(1) such corporate agent acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation; and

(2) with respect to any criminal proceeding, such corporate agent had no reasonable cause to believe his conduct was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon

a pleas of nolo contendere or its equivalent, shall not of itself create a presumption that such corporate agent did not meet the applicable standards of conduct set forth in subsections 2(1) and 2(2) hereof.

Section 3. Derivative Actions: Unless otherwise provided in the Certificate of Incorporation or by statute, the corporation shall have the power to indemnify a corporate agent against his expenses in connection with any proceeding by or in the right of the corporation to procure a judgment in its favor which involves the corporate agent by reason for his being or having been such corporate agent, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation. However, in such proceeding no indemnification shall be provided in respect of any claim, issue or matter as to which such corporate agent shall have been adjudged to be liable to the corporation, unless and only to the extent that the Superior Court or the court in which such proceeding was brought shall determine upon application that despite the adjudication of liability, but in view of all circumstances of the case, such corporate agent is fairly and reasonably entitled to indemnity for such expenses as the Superior Court or such other court shall deem proper.

Section 4. Mandatory Indemnification: The corporation shall indemnify a corporate agent against expenses to the extent that such corporate agent has been successful on the merits or otherwise in any proceeding referred to in subsections (2) and (3) hereof or in defense of any claim, issue or matter therein.

Section 5. Procedure for Effecting Indemnification: Any indemnification under section 2 above and, unless ordered by a court under section 3 above, may be made by the corporation only as authorized in a specific case upon a determination that indemnification is proper under the circumstances because the corporate agent met the applicable standard of conduct set forth in Section 2 above or Section 3 above or otherwise provided by statute. Unless otherwise provided in the Certificate of Incorporation or these By-Laws, such determination shall be made:

(1) by the Board of Directors or committee thereof, acting by a majority vote of a quorum consisting of directors who were not parties to or otherwise involved in the proceeding; or

(2) if such a quorum is not obtainable, or, even if obtainable and such quorum of the Board of Directors or committee by a majority vote of the disinterested directors so directs, by

independent legal counsel in a written opinion, such counsel to be designated by the Board of Directors; or

(3) by the shareholders if the Certificate of Incorporation, these By-Laws or a resolution of the Board of Directors or the shareholders so directs.

Section 6. Advancing Expenses: Expenses incurred by a corporate agent in connection with a proceeding may be paid by the corporation in advance of the final disposition of the proceeding as authorized by the Board of Directors upon receipt of an undertaking by or on behalf of the corporate agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified as provided in this Article.

Section 7. Application to a Court for Indemnification:

(1) If the corporation, upon application of a corporate agent, has failed or refused to provide indemnification as required under Section 4 above or permitted under Sections 2, 3 and 6 above, a corporate agent may apply to a court for an award of indemnification by the corporation, and such court:

(a) may award indemnification to the extent authorized under Sections 2 and 3 above and shall award indemnification to the extent required under Section 4 above, notwithstanding any contrary determination which may have been made under Section 5 above; and

(b) may allow reasonable expenses to the extent

authorized by, and subject to the provisions of, Section 6 above, if the court shall find that the corporate agent has by his pleadings or during the course of the proceeding raised genuine issues of fact or law.

(2) Application for such indemnification may be made:

(a) in the civil action in which the expenses were or are to be incurred or other amounts were or are to be paid; or

(b) to the Superior Court in a separate proceeding. If the application is for indemnification arising out of a civil action, it shall set forth reasonable cause for the failure to make application for such relief in the action or proceeding in which the expenses were or are to be incurred or other amounts were or are to be paid.

(3) The application shall set forth the disposition of any previous application for indemnification and shall be made in such manner and form as may required by the applicable rules of court or, in the absence thereof, by direction of the court to which it is made. Such application shall be upon notice to the corporation. The court may also direct that notice shall be

given at the expense of the corporation to the shareholders and such other persons as it may designate in such manner as it may require.

Section 8. Other Indemnification Rights: The indemnification and advancement of expenses provided by or granted pursuant to the other subsections of this Article shall not exclude any other rights to which a corporate agent may be entitled under the Certificate of Incorporation, any agreement, any vote of shareholders, or otherwise; provided that, unless otherwise permitted by statute, no indemnification shall be made to or on behalf of a corporate agent if a judgment or other final adjudication adverse to the corporate agent establishes that his acts or omissions (a) were in breach of his duty of loyalty to the corporation or its shareholders, (b) were not in good faith or involved a knowing violation of law or (c) resulted in receipt by the corporate agent of an improper personal benefit.

Section 9. Insurance: The corporation shall have the power to purchase and maintain insurance on behalf of any corporate agent against any expenses incurred in any proceeding and any liabilities asserted against him by reason of his being or having been a corporate agent, whether or not the corporation would have the power to indemnify him against such expenses and liabilities under the provisions of this Article. The corporation may purchase such insurance from, or such insurance may be reinsured in whole or in part by, an insurer owned by or otherwise affiliated with the corporation, whether or not such insurer does business with other insureds.

Section 10. Other Agreements: Except as required by Section 4 above, no indemnification shall be made or expenses advanced by a corporation under this Article, and none shall be ordered by a court, if such action would be inconsistent with a provision of the Certificate of Incorporation, these Bylaws, a resolution of the Board of Directors or the shareholders, an agreement or other proper corporate action, in effect at the time of the accrual of the alleged cause of action asserted in the proceeding, which prohibits, limits or otherwise conditions the indemnification to which the corporate agent may be entitled.

Section 11. Corporate Agent as Witness: This Article does not limit a corporation's power to pay or reimburse expenses incurred by a corporate agent in connection with the corporate agent's appearance as a witness in a proceeding at a time when the corporate agent has not been made a party to the proceeding.

AGREEMENT

1. Date of Agreement. The date of this Agreement is the 29th day of February, 1996.

2. Parties.

2.1 SEAHAWK CAPITAL CORPORATION (the "Corporation"), 1010 Kings Highway South, Suite 1D, Cherry Hill, New Jersey, 08034; and

2.2 JONATHAN LASSERS ("Lassers"), 1010 Kings Highway South, Suite 1D, Cherry Hill, New Jersey, 08034.

3. Termination of Warrant. In consideration of the termination by Lassers of the warrant dated May 2, 1995 held by Jonathan Lassers to purchase 70,000,000 shares of the Corporation at an exercise price of $.01 per share, the Corporation hereby agrees to issue, and Jonathan Lassers hereby agrees to accept, 11,000,000 shares of the fully paid, non-assessable common stock of the Corporation, such shares to be restricted stock as such term is defined under the Securities Act of 1933, as amended, such shares to be issued as of the date of this Agreement.

SEAHAWK CAPITAL CORPORATION

By: /s/ Annemarie L. Arias

Annemarie L. Arias, Secretary, Director

/s/ Jonathan B. Lassers

Jonathan Lassers

April 7, 1997

Mr. Kenneth R. Konikowski
271 Route 46 West
Suite F-10
Fairfield, NJ 07004

RE:STOCK PURCHASE AGREEMENT DATED NOVEMBER 30, 1996 BETWEEN DYNAMICWEB ENTERPRISES, INC. (THE "COMPANY"), SOFTWARE ASSOCIATES, INC. AND KENNETH R. KONIKOWSKI

Dear Ken:

As you are aware, Section 3 of the above-referenced Stock Purchase Agreement (the "Agreement") provides as follows:

"The entire consideration to be paid to SOFTWARE Shareholders in exchange for the sale, transfer, assignment and delivery of the SOFTWARE Shares as set forth in Section 2 above is Eight Hundred Sixty Thousand (860,000) common shares of the authorized but unissued capital stock of DWEB ("Purchase Price"). In the event the said stock of DWEB does not have the trading price of an average of $3.375 (an average of the previous five trading days closing bid prices) per share, by January 30, 1999, then additional shares of DWEB stock will be issued by DWEB to equal the difference (with a maximum of 2,000,000 shares)."

As you are further aware, the Company's Board of Directors has approved a reverse stock split (the "Reverse Split"), subject to shareholder approval, pursuant to which each outstanding share of the Company's common stock (the "Common Stock") will be converted into .2608491 of one share. After the completion of the Reverse Split, approximately 2,000,000 shares of Common Stock will be outstanding. The Reverse Split is expected to be effected as soon as practicable after the Company's annual meeting of shareholders scheduled for May 15, 1997.

The purposes of this letter are to clarify (i) the effect that stock dividends, divisions, reclassifications and combinations (such as the Reverse Split) will have on the number of additional shares of the Common Stock which may be issued pursuant to Section 3 of the Agreement and (ii) the meaning of "with a maximum of 2,000,000 shares" as set forth in Section 3 of the Agreement. Therefore, the Company and you hereby agree as follows:

1. This letter shall confirm our agreement that it is and was the intent of the parties to the Agreement that the trading price average of $3.375 (the "Trading Price Average") and the 2,000,000 maximum number of shares to be issued (the "Maximum Number of

Shares to Be Issued"), each as set forth and described in Section 3 of the Agreement, are subject to adjustment as follows:

If the Company shall, at any time before January 30, 1999, (i) issue a dividend in shares of Common Stock, (ii) combine the outstanding shares of Common Stock into a smaller number of shares, including but not limited to the Reverse Split, (iii) subdivide the outstanding shares of Common Stock, or (iv) reclassify the shares of Common Stock, then, in such event, (a) the Average Trading Price shall be adjusted by multiplying the Average Trading Price (as adjusted from time to time pursuant to this Agreement) by a fraction the numerator of which shall be equal to one and the denominator of which shall be equal to the number of shares or fraction of a share of Common Stock into which each outstanding share of Common Stock was converted upon the happening of such event; and (b) the Maximum Number of Shares to Be Issued shall be adjusted by multiplying the Maximum Number of Shares to Be Issued (as adjusted from time to time pursuant to this Agreement) by a fraction the numerator of which shall be equal to the number of shares or fraction of a share of Common Stock into which each outstanding share of Common Stock was converted upon the happening of such event, and the denominator of which shall be equal to one.

2. This letter will confirm that the phrase "with a maximum of 2,000,000 shares" set forth in Section 3 of the Agreement means that the total number of shares of Common Stock issued by the Company as consideration to the SOFTWARE Shareholders (as defined in the Agreement) in exchange for the sale, transfer, assignment and delivery of the SOFTWARE Shares (as defined in the Agreement) to the Company, including the 860,000 shares of Common Stock issued at the Closing (as defined in the Agreement), shall not exceed 2,000,000. Therefore, the parties agree that the maximum number of additional shares of Common Stock which can be issued by the Company to the SOFTWARE Shareholders on or after January 31, 1999 pursuant to the Agreement is 1,140,000 shares, subject to adjustment pursuant to paragraph 1 above.

3. In the event of an adjustment to the Maximum Number of Shares to Be Issued in the manner set forth in paragraph 1 above, the parties shall, in determining the Maximum Number of Shares to Be Issued, adjust the 860,000 shares of Common Stock issued at Closing and included therein by multiplying 860,000 by a fraction, the numerator of which shall be equal to the number of shares or fraction of a share of Common Stock into which each outstanding share of Common Stock was converted upon the

happening of such event, and the denominator of which shall be equal to one.

4. The parties agree that upon the effective date of the Reverse Split and the related adjustments contemplated in Paragraphs 1, 2 and 3 hereof, Section 3 shall read as follows:

"The entire consideration to be paid to SOFTWARE Shareholders in exchange for the sale, transfer, assignment and delivery of the SOFTWARE Shares as set forth in Section 2 above is Two Hundred Twenty-Four Thousand Three Hundred Thirty (224,330) common shares of the authorized but unissued capital stock of DWEB ("Purchase Price"). In the event the said stock of DWEB does not have the trading price of an average of 12.939 (an average of the previous five trading days closing bid prices) per share, by January 30, 1999, then additional shares of DWEB stock will be issued by DWEB to equal the difference (with a maximum of 521,698 shares to be issued, including the 224,330 shares issued at Closing).

5. The parties agree that the 25,000 shares of Common Stock to be made available by the Company, pursuant to Section 5.10 of the Agreement, for Ken Konikowski to award to key employees shall be made available pursuant to the grant by the Company to such employees designated by Mr. Konikowski of options to acquire up to an aggregate of 25,000 shares of Common Stock under the Company's 1997 Employee Stock Option Plan.

Please indicate your acceptance and agreement with the terms of this letter below, and return one copy to me. Thank you for your assistance in this matter.

Very truly yours,

DYNAMICWEB ENTERPRISES, INC.

By/s/ Steve L. Vanechanos, Jr.

Steve L. Vanechanos, Jr.
President

AGREED TO AND ACCEPTED,
intending to be legally
bound hereby, as of this
7th day of April, 1997.

/s/ Kenneth R. Konikowski

Kenneth R. Konikowski

DYNAMICWEB ENTERPRISES
LOCK-UP AGREEMENT

In Re Ownership of Common Stock by Kenneth Konikowski:

In accordance with the Stock Purchase Agreement between DynamicWeb Enterprises, Inc. and Software Associates, Inc. dated November 30, 1996, Kenneth Konikowski will receive 860,000 shares of common stock of DynamicWeb Enterprises, Inc.

Steven Vanechanos, Jr. and/or DynamicWeb Enterprises seeks to encumber the further transfer of 750,000 of those shares. Kenneth Konikowski has agreed to those encumbrances, and hereby confirms that he will not, without DynamicWeb Enterprises, Inc.'s prior written approval, sell directly or indirectly, 750,000 of this 860,000 share block of common stock of DynamicWeb Enterprises, Inc., until November 30, 1998. After that time period, he may sell some or all of that block, free from any requirement imposed hereby, except that he shall give notice, to Steven Vanechanos, Jr., at least sixty days before December 1, 1998, of his intention to sell, and the amount to be sold. Steven Vanechanos, Jr. may at any time during that sixty day period indicate his desire to purchase some or all of the shares contemplated for sale, and shall pay a sum equivalent to the number of shares purchased, times the per share price listed on December 1, 1998, at a settlement to be held no more than three days following that date.

Kenneth Konikowski takes no position on the efficacy of this agreement, but does concede that his performance is adequately funded by the overall consideration to him of the transaction of which this agreement is a part.

/s/ Steven Vanechanos, Jr.

STEVEN VANECHANOS, JR.,
Individually and as President of
DynamicWeb Enterprises, Inc.

Accepted by:

/s/ Kenneth R. Konikowski

KEN KONIKOWSKI

Date: November 30, 1996

EMPLOYMENT AGREEMENT

THIS AGREEMENT is made and entered into, effective as of the 1st day of December, 1996, by and among DynamicWeb Enterprises, Inc. a NJ Corporation with its principal office and place of business in Clifton, NJ ("Employer") and Ken Konikowski, currently a resident of Towaca, NJ ("Executive").

W I T N E S S E T H :

WHEREAS, Employer desires to retain the services of Executive on the terms hereinafter set forth;

WHEREAS, Executive desires to accept employment by Employer on such terms; and

WHEREAS, Employer and Executive are willing to enter into this Employment Agreement ("Agreement") reflecting such terms;

NOW THEREFORE, in consideration of the promises and the mutual covenants herein contained, the parties hereto, intending to be legally bound, do hereby mutually covenant and agree as follows:

1. DEFINITIONS. For purposes of this Agreement, the following terms shall have the following meanings:

(a) "Term" shall mean the period commencing on the date hereof and ending on Nov. 30, 2001, subject to any extension of such period as may hereafter be mutually agreed to by Employer and Executive, and subject further to termination of the Term as provided in Paragraph 7 of this Agreement.

(b) "Cause" shall mean:

(i) Executive's conviction of, or plea of nolo contendere to, a felony or crime involving moral turpitude;

(ii) Executive's commission of an act of personal dishonesty or breach of fiduciary duty involving personal profit in connection with Executive's employment by Employer.

(iii) Executive's commission of an act which the Board of Directors by a vote of at least three-fourths (3/4) of all the Directors shall have found to have involved willful misconduct on the part of Executive, in the conduct of his duties hereunder; or

(iv) habitual absenteeism, chronic alcoholism or any other form of addiction, as determined by three-fourths (3/4) of all the Directors, on the part of Executive which prevents him from performing the essential functions of his position with or without reasonable accommodation.

(c) "Good Reason" shall mean the occurrence of any action by Employer which (i) significantly reduces Executive's job responsibilities; (ii) results in a significant worsening of Executive's work conditions; (iii) moves Executive's place of employment more than fifty (50) miles from Executive's place of employment; (iv) involves non-payment of salary, bonus or any other material benefit hereunder; or (v) otherwise constitutes a material breach of Employer's obligations under this Agreement.

(d) "Disability" shall mean the incapacity of Executive by illness or any other cause which prevents Executive from performing the essential functions of his position with or without reasonable accommodation for a period in excess of two hundred forty (240) days (whether or not consecutive), or one hundred eighty (180) days consecutively, as the case may be, during any twelve (12) month period.

(e) "Material Breach" by Executive shall mean a

determination by vote of at least three-fourths (3/4) of all the Directors that Executive shall have failed to comply in any material respect with his obligations under Paragraph 3 of this Agreement following written notice to Executive of the alleged deficiencies thereunder and a fair opportunity to cure such deficiencies (the existence of which shall be confirmed by the foregoing required vote). Any determination in accordance with the preceding sentence shall be conclusive and binding for all purposes of this Agreement.

2. EMPLOYMENT. Employer hereby agrees to employ Executive as Executive Vice President and Director, and Executive accepts such employment and agrees to serve in such capacities, for the Term upon the terms and conditions hereinafter set forth. Should Executive remain in the employ of Employer after the Term, Executive's status shall thereupon be that of an employee at will.

3. DUTIES OF EMPLOYMENT.

(a) Throughout the Term, Executive will serve as Executive Vice President and Director, subject to the direction of the Chief Operating Officer. Executive shall perform all duties assigned or delegated to him consistent with his position as Executive Vice President of Employer, and shall perform all acts and services customarily associated with such position, devoting his full time, best efforts and attention to the advancement of the interests and business of Employer. During the Term, Executive will serve Employer faithfully, diligently and competently and to the best of his ability and will devote full-time to his employment.

(b) Throughout the Term, Executive shall not engage in or be concerned with any other duties or pursuits which are competitive or inconsistent with the interests and business of Employer. Nothing in this Agreement shall preclude Executive, however, with the prior approval of Employer, which approval

shall not be unreasonably withheld, from devoting reasonable periods of time required for (i) serving as a director or member of a committee of any organization involving no conflict of interest with Employer, and (ii) engaging in charitable, religious and community activities, provided, that such directorships, memberships or activities do not materially interfere with the performance of his duties hereunder.

4. COMPENSATION. During the Term, Employer shall pay to Executive as compensation for the services to be rendered by him to Employer hereunder the following:

(a) A base salary at the rate of $135,600 per year, or such larger sum as the Employer may from time to time determine in connection with annual performance reviews pursuant to Employer's policies and practices. Such compensation shall be payable in accordance with normal payroll practices of Employer.

(b) In addition, Executive shall be eligible to earn annual bonus payments during the Term. Employer shall develop, in consultation with Executive, and establish an incentive bonus plan for key management employees of Employer. Such plan may describe one or more individual or corporate goals for a year or other bonus period, the achievement of which may be made a condition to the payment of bonuses thereunder. Such goals for Executive shall be communicated to Executive and shall be stated to be a condition to payment of said bonus

5. BENEFITS. During the Term, Executive shall be entitled to the following benefits:

(a) Executive will be provided with use of an automobile with a purchase price not to exceed $600/month, or an equivalent leased automobile, replaceable every three (3) years.

(b) Comprehensive health insurance and major medical coverage comparable to such coverage provided for executive employees of

Employer generally.

(c) Participation in Employer's pension plan, in accordance with the terms thereof, as may be in effect from time to time.

(d) Life Insurance on the life of Executive in an amount $500,000 payable to a beneficiary selected by Executive.

(e) Executive shall be entitled each year to a vacation of 4 weeks during which time his compensation shall be paid in full, but the period selected each year shall be with the approval of Employer.

(f) Reimbursement of all reasonable travel and other business expenses incident to the rendering of services by Executive hereunder and receipts in accordance with Employer's

policy from time to time in effect and subject to the submission of appropriate vouchers in accordance therewith.

(g) Long-term disability insurance covering 50% of salary.

6. STOCK OPTIONS. Executive shall be entitled to participate in Employer's Restricted Stock Program and any other Employee participation equity programs offered by Employer.

7. TERMINATION. Employer shall have the right during the Term to terminate the employment of Executive for Cause, Disability, or Material Breach. Executive shall have the right to terminate his employment hereunder for Good Reason. In the event of the death of Executive during the Term, or in the event Employer or Executive shall terminate Executive's employment as specified in the preceding sentence, the Term shall automatically end upon such death or upon the effective date of such termination.

8. PAYMENT UPON TERMINATION.

(a) If Executive's employment is terminated by Employer for Cause, Disability, or Material Breach, or by Executive other than for Good Reason, or by the death of Executive, Employer's obligations under this Agreement shall cease and Executive shall forfeit all right to receive prospective compensation or other benefits under this Agreement. Salary and reimbursable expenses accrued through the date of such termination; vested pension contributions; qualified bonus; accrued vacation and any other "earned" compensation shall be payable. No bonus shall be payable to Executive under such circumstances unless Executive's entitlement thereto and the amount thereof under the plan in effect at the time of his termination shall have been determined and communicated to Executive prior to the effective date of such termination.

(b) If Executive's employment is terminated by Employer during the Term other than as provided in (a) above, or if Executive shall voluntarily terminate his employment during the Term for Good Reason, Executive shall be entitled to receive, and Employer shall be obligated to pay and provide Executive, the following amounts:

(i) In a lump sum, an amount equal to the commuted value of the base salary of Executive in effect or authorized at the time of termination for the period remaining in the Term (determined by discounting all payments at a rate equal to the bond equivalent yield of the latest two-year Treasury Bill auction) to be paid in cash in the month next following Executive's termination of employment and to be treated as a supplemental wage payment under applicable Treasury Regulations subject to federal tax withholding at the flat percentage rate applicable thereto, said amount to be in lieu of any amount otherwise payable to Executive under any then effective severance

pay plan of Employer applicable to all or any class of employees of Employer.

(ii) To the extent that any form of compensation previously granted to Executive, including stock options granted as provided in Paragraph 6 above, shall not be fully vested or shall require additional service as an employee at the time of the termination of Executive's employment, Executive shall be credited with additional service through the end of the Term for such purpose.

(iii) During the balance of Executive's Term, Executive shall continue to receive such perquisites as he was receiving at the time of termination of his employment and shall also continue to participate in all life, health, disability and similar insurance plans and programs of Employer to the extent that such continued participation is possible under the general terms and provisions of such plans and programs, with Employer and Executive paying the same portion of cost of each such plan or program as existed at the time of Executive's termination. In the event that Executive's continued participation in any group plans or programs is not permitted, then in lieu thereof, Employer shall acquire, with the same cost sharing, individual insurance policies providing comparable coverage for Executive; provided that Employer shall not be obligated to pay for any such individual coverage more than Employer's cost of such group coverage; and provided further, if any such individual coverage is unavailable at such cost, then Employer shall pay to Executive annually for such remaining Term an amount equal to the amount of the annual contributions, payments, credits, or allocations made by Employer for such insurance on Executive's behalf in the year immediately preceding the termination of Executive's employment (or an annualized amount based on any shorter period of employment).

9. CONFIDENTIAL INFORMATION. Executive understands that in the course of his employment by Employer, Executive will receive certain trade secrets, lists of customers and other confidential information concerning the business or purposes of Employer, and which Employer desires to protect. Executive understands that, among other things, [the management, method, operating techniques, procedures and methods, forms, customer lists, prospective acquisitions, employee lists, training manuals and procedures, hardware systems, software programs, etc.] are confidential and are not at any time during or after the period of Executive's employment by Employer to be revealed to anyone outside Employer without specific written authorization by Employer. Executive further agrees that he will not divulge to anyone outside Employer any of the aforementioned confidential information or trade secrets so long as the confidential or secret nature of such information shall continue. Executive further agrees not to use any such confidential information or trade secrets in competing with Employer at any time during or after his employment by Employer.

[10. CUSTOMER SOLICITATION. The executive recognizes and acknowledges that during employment the Executive will have access to, learn, be provided with and, in some cases, will prepare and create certain confidential and proprietary business information, including, but not limited to, client and customer information and customer lists, all of which are of substantial value to the Employer's business. The Employee agrees that in addition to any other limitation, for a period of one year after the termination of employment hereunder, the Employee will not, on his or her behalf or on behalf of any other person, firm, corporation, call on any of the Employer's customers, or any of its affiliates or subsidiaries for the purpose of soliciting and/or providing to any of these customers any customer information relating to Employer's services, nor will the Employee in any way, directly or indirectly, for himself or herself, or on behalf of any other person, firm, or corporation, solicit, divert, or take away any customer of the Employer, its affiliates, or its subsidiaries.

11. Employee Solicitation. The Executive agrees that during his employment with Employer and for one year after termination of employment, the Executive will not, on behalf of himself or herself or on behalf of any other

person, firm, or corporation, solicit any of the employees of Employer nor will the Executive in any way, directly, or indirectly, for himself or herself, or on behalf of any other person, firm or corporation, solicit, divert, or take away any employees of the Employer.

12. Inventions. Ideas, inventions, and other developments or improvements conceived by the Executive, alone or with others, during employment, whether or not during working hours, that are within Employer's business operations's scope or that relate to any of the Employer's work or projects, are the Employer's exclusive property. The Executive shall assist the Employer at its expense to obtain patents for any patentable ideas, inventions, or other developments, and shall execute all documents necessary to obtain these patents in the Employer's name.

13. COVENANTS BY EXECUTIVE NOT TO COMPETE WITH EMPLOYER.

(a) Upon termination of Executive's employment by Employer for any reason, Employee covenants and agrees as follows:

(i) That he will not at any time during the period of 1 year(s) from and after such termination directly or indirectly or in any manner or under any circumstances or conditions whatsoever be or become interested, as an individual, partner, principal, agent, clerk, employee, stockholder, officer, director, trustee, or in any other capacity whatsoever (except as owner of stock of a public corporation in a nominal amount) in any other business similar to the business of Employer, or in any way in competition with the business of Employer within the United States, nor will Employee engage or participate in,

directly or indirectly (whether as an officer, director, employee, partner, consultant, holder or an equity or debt investment, lender or in any other manner or capacity), or lend his name (or any part or variant thereof) to, any business which is, or as a result of the Executive's engagement or participation would become, competitive with any aspect of the business of Employer in the Area or solicit any officer, director, employee or agent of Employer to become an officer, director, employee or agent of Executive, his respective affiliates or anyone else. Ownership, in the aggregate, of less than one percent (1%) of the outstanding shares of capital stock of any corporation with one or more classes of its capital stock listed on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a violation of the foregoing provision. For purposes of this Paragraph 13(a), "Employer" shall be limited to Employer, and any successor thereto, and the "business of Employer" shall be limited to its business as an electronic commerce company, and any other lines of business developed or entered into by it during the Term.

(ii) Executive hereby acknowledges that his services are unique and extraordinary, and are not readily replaceable, and hereby expressly agrees that Employer, in enforcing the covenants contained in Paragraphs 9 through 13 herein, in addition to any other remedies provided for herein or otherwise available at law, shall be entitled in any court of equity having jurisdiction to an injunction restraining him in the event of a breach, actual or threatened, of the agreements and covenants contained in these Paragraphs.

(iii) The parties hereto believe that the restrictive covenants of this Paragraph 13 are reasonable. However, if at any time it shall be determined by any court of competent jurisdiction that this Paragraph 13 or any portion of them as written, are unenforceable because the restrictions are unreasonable, the parties hereto agree that such portions as shall have been determined to be unreasonably restrictive shall thereupon be deemed so amended as to make such restrictions reasonable in the determination of such court, and the said covenants, as so modified, shall be enforceable between the parties to the same extent as if such amendments had been made prior to the date of any alleged breach of said covenants.

(iv) This entire Paragraph 13 will be deemed null and void in the event termination occurs pursuant to Material Breach as defined

in Paragraph 1.e.

(b) Executive hereby acknowledges the reasonableness of the covenant not to compete, including the reasonableness of it's scope, duration and geographic area. Executive further acknowledges that the Employer is a national company that does business and competes for business with other entities throughout the entire United States.

14. RESIGNATION. In the event that Executive's services hereunder are terminated under any of the provisions of this Agreement (except by death), Executive agrees that he will deliver his written resignation as Executive Vice President, such resignation to become effective immediately.

15. INSURANCE. Employer shall have the right at is own cost and expense to apply for and to secure in its own name, or otherwise, life, health or accident insurance or any or all medical examination and otherwise to obtain Executive's cooperation in connection with the procurement of any such insurance, and any claims thereunder.

16. RELEASE. As a condition of receiving payments or benefits provided for in Paragraph 8(a) of this Agreement, at the request of Employer, Executive shall execute and deliver for the benefit of Employer, a general release in the form set forth in Attachment A, and such release shall become effective in accordance with its terms. The failure or refusal of Executive to sign such a release or the revocation of such a release shall cause the termination of any and all obligations of Employer to make payments or provide benefits hereunder, and the forfeiture of the right of Executive to receive any such payments and benefits. Executive acknowledges that Employer has advised him to consult with an attorney prior to signing this Agreement and that he has, in fact, consulted with an attorney.

17. NOTICES. All notices under this Agreement shall be in writing and shall be deemed effective when delivered in person to Executive, or if mailed, postage prepaid, registered or certified mail, addressed, in the case of Executive, to his last known address as carried on the personnel records of Employer, and, in the case of Employer, to the corporate headquarters or to such other address as the party to be notified may specify by notice to the other party. Executive hereby agrees to give Employer not less than thirty (30) days' advance notice of his intended resignation or other termination from Employer, whether or not at the end of the Term. Employer hereby agrees to give Executive not less than 30 days advance notice if it should decide not to extend the Term of this Agreement beyond December 1, 2001.

18. SUCCESSORS AND ASSIGNS. The rights and obligations of Employer under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of Employer, including, without limitation, any corporation, individual or other person or entity which may acquire all or substantially all the assets and business of Employer, or of any division of Employer for which Executive has primary management responsibility, or with or into which Employer may be consolidated or merged or any surviving corporation in any merger involving Employer. All references in this Agreement to Employer shall be deemed to include all such successors and assigns. This Agreement shall inure to the benefit of and be enforceable by Executive's personal or legal representatives, executors, administrators, successors, heirs, distributes, devisees and

legatees. If Executive should die following termination of his employment and prior to the receipt of all amounts due to him, if any, under this Agreement, then all such amounts not previously paid to Executive shall, unless otherwise provided herein, be paid in accordance with the terms of this Agreement to Executive's devisee, legatee or other designee or, if there be no such designee, to Executive's estate.

19. ARBITRATION. Any dispute under this Agreement which may arise between the parties hereto shall be submitted to binding arbitration in New Jersey in accordance with the Rules of the American Arbitration Association. Said Arbitrator must be mutually acceptable to the parties.

20. SEVERABILITY. If any of the terms or conditions of this Agreement shall be declared void or unenforceable by any court or administrative body of competent jurisdiction, such term or condition shall be deemed severable from the remainder of this Agreement, and the other terms and conditions of this Agreement shall continue to be valid and enforceable.

21. AMENDMENT. This Agreement may be modified or amended only by an instrument in writing executed by the parties hereto.

22. CONSTRUCTION. This Agreement shall supersede and replace all prior agreements and understandings between the parties hereto on the subject matter covered hereby. This Agreement shall be governed and construed under the laws of the State of New Jersey. Words of the masculine gender mean and include correlative words of the feminine gender. Paragraph headings are for convenience only and shall not be considered a part of the terms and provisions of the Agreement.

/s/ Steve Vanechanos, Jr.	/s/ Kenneth Konikowski
- - -------------------------	----------------------------
Steve Vanechanos, Jr.	Kenneth Konikowski
President	Executive
Date: 11/30/96	Date: 11/30/96

RELEASE

We advise you to consult an attorney before you sign this Release. You have until the date which is seven (7) days after the Release is signed and returned to _____ to change your mind and revoke your Release. Your Release shall not become effective or enforceable until after that date.

In consideration for the benefits provided under your Employment Agreement with _____, by your signature below you agree not to make any claims of any kind against _____, its past and present and future parent corporations, subsidiaries, divisions, subdivisions, affiliates and related companies or their successors and assigns, any and all past, present and future Directors, officers, fiduciaries or employees (all parties referred to in the foregoing are hereinafter referred to as the "Releasees") before any agency, court or other forum, and you agree to release the Releasees from all claims, known or unknown, arising in any way from any actions taken by the Releasees up to the date of this Release, including, without limiting the foregoing, any claim for wrongful discharge or breach of contract or any claims arising under the Age Discrimination in Employment Act of 1967, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, the Employee Retirement Income Security Act of 194, or any other federal, state or local statute or regulation and any claim for attorneys' fees, expenses or costs of litigation, except that this Release is not intended, and shall not be construed, to release _____ from any vested obligations it may have under its employee pension benefits plans.

THE PRECEDING PARAGRAPH MEANS THAT BY SIGNING THIS RELEASE YOU WILL HAVE WAIVED ANY RIGHT YOU MAY HAVE TO BRING A LAWSUIT OR MAKE ANY LEGAL CLAIM AGAINST THE RELEASEES BASED ON ANY ACTIONS TAKEN BY THE RELEASEES UP TO THE DATE OF THIS RELEASE.

By signing this Release, you further agree as follows:

10. You have read this Release carefully and fully understand its terms;

11. You have had at least twenty-one (21) days to consider the terms of the Release;

12. You have seven (7) days from the date you sign this Release to revoke it by written notification to _____. After this seven (7) day period, this Release is final and binding and may not be revoked;

13. You have been advised to seek legal counsel and have had an opportunity to do so;

14. You would not otherwise be entitled to the benefits provided under your Employment Agreement with _____ had you

not agreed to waive any right you have to bring a lawsuit or legal claim against the Releasees; and

15. Your agreement to the terms set forth above is voluntary.

Name: _____

Signature: _____ Date: _____

Received by: _____ Date: _____

THIS LEASE AGREEMENT, made the _____ day of _____, 1996,

Between BEAUTY AND BARBER INSTITUTE, INC. residing or located at 11811 North Tatum Boulevard, Suite 1085, in the City of Phoenix in the County of _____ and State of Arizona, herein designated as the Landlord,

And DYNAMICWEB TRANSACTION SYSTEMS, INC. residing or located at _____ in the _____ of _____ in the County of _____ and State of _____, herein designated as the Tenant;

WITNESSETH THAT, the Landlord does hereby lease to the Tenant and the Tenant does hereby rent from the Landlord, the following described premises: Suites E208, E209 and E210 totalling approximately 2,622 square feet at Fairfield Commons, 271 Route 46 West, Fairfield, New Jersey 07004 for a term of five (5) years commencing on November 1, 1996, and ending on October 31, 2001, to be used and occupied only and for no other purpose than office use. Tenant, shall be permitted to take possession of the Premises immediately upon the payment of the security provided for herein, it being agreed that the first month's rent is due on or before March 1, 1997.

UPON THE FOLLOWING CONDITIONS AND COVENANTS:

1st: The Tenant covenants and agrees to pay to the Landlord, as rent for and during the term hereof, the sum of $_____ in the following manner:

SEE ADDENDUM ANNEXED HERETO

2nd: The Tenant has examined the premises and has entered into this lease without any representation on the part of the Landlord as to the condition thereof. The Tenant shall take good care of the premises and shall at the Tenant's own cost and expense, make all repairs, including painting and decorating, and shall maintain the premises in good condition and state of repair, and at the end or other expiration of the term hereof, shall deliver up the rented premises in good order and condition, wear and tear from a reasonable use thereof, and damage by the elements not resulting from the neglect or fault of the Tenant, excepted. The Tenant shall neither encumber nor obstruct the sidewalks, driveways, yards, entrances, hallways and stairs, but shall keep and maintain the same in a clean condition, free from debris, trash, refuse, snow and ice.

3rd: In case of the destruction of or any damage to the glass in the leased premises, or the destruction of or damage of any kind whatsoever to the said premises, caused by the carelessness, negligence or improper conduct on the part of the Tenant or the Tenant's agents, employees, guests, licensees, invitees, subtenants, assignees or successors, the Tenant shall

repair the said damage or replace or restore any destroyed parts of the premises, as speedily as possible, at the Tenant's own cost and expense.

4th: No alterations, additions or improvements shall be made, and no climate regulating, air conditioning, cooling, heating or sprinkler systems, television or radio antennas, heavy equipment, apparatus and fixtures, shall be installed in or attached to the leased premises, without the written consent of the Landlord. Unless otherwise provided herein, all such alterations, additions or improvements and systems, when made, installed in or attached to the said premises, shall belong to and become the property of the Landlord and shall be surrendered with the premises and as part thereof upon the expiration or sooner termination of this lease, without hindrance, molestation or injury.

5th: The Tenant shall not place nor allow to be placed any signs of any kind whatsoever, upon or about the said premises or any part

thereof, except of a design and structure and in or at such places as may be indicated and consented to by the Landlord in writing. In case the Landlord or the Landlord's agents, employees or representatives shall deem it necessary to remove any such signs in order to paint or make any repairs, alterations or improvements in or upon said premises or any part thereof, they may be so removed, but shall be replaced at the Landlord's expense when the said repairs, alterations or improvements shall have been completed. Any signs permitted by the Landlord shall at all times conform with all municipal ordinances or other laws and regulations applicable thereto.

6th: The Tenant shall pay when due all the rents or charges for water or other utilities used by the Tenant, which are or may be assessed or imposed upon the leased premises or which are or may be charged to the Landlord by the suppliers thereof during the term hereof, and if not paid, such rents or charges shall be added to and become payable as additional rent with the installment of rent next due or within 30 days of demand therefor, whichever occurs sooner.

7th: The Tenant shall promptly comply with all laws, ordinances, rules, regulations, requirements and directives of the Federal, State and Municipal Governments or Public Authorities and of all their departments, bureaus and subdivisions, applicable to and affecting the said premises, their use and occupancy, for the correction, prevention and abatement of nuisances, violations or other grievances in, upon or connected with the said premises, during the term hereof; and shall promptly comply with all orders, regulations, requirements and directives of the Board of Fire Underwriters or similar authority and of any insurance companies which have issued or are about to issue policies of insurance covering the said premises and its contents, for the prevention of fire or other casualty, damage or injury, at the Tenant's own cost and expense.

8th: The Tenant, at Tenant's own cost and expense, shall obtain or provide and keep in full force for the benefit of the Landlord, during the term hereof, general public liability insurance, insuring the Landlord against any and all liability or claims of liability arising out of, occasioned by or resulting from any accident or otherwise in or about the leased premises, for injuries to any person or persons, for limits of not less than $1 million for injuries to one person and $1 million for injuries to more than one person, in any one accident or occurrence, and for loss or damage to the property of any person or persons, for not less than $100,000.00. The policy or policies of insurance shall be of a company or companies authorized to do business in this State and shall be delivered to the Landlord, together with evidence of the payment of the premiums therefor, not less than fifteen days prior to the commencement of the term hereof or of the date when the Tenant shall enter into possession, whichever occurs sooner. At least fifteen days prior to the expiration or termination date of any policy, the Tenant shall deliver a renewal or replacement policy with proof of the payment of the premium therefor. The Tenant also agrees to and shall save, hold and keep harmless and indemnify the Landlord from and for any and all payments, expenses, costs, attorney fees and from and for any and all claims and liability for losses or damage to property or injuries to persons occasioned wholly or in part by or resulting from any acts or omissions by the Tenant or the Tenant's agents, employees, guests, licensees, subtenants, assignees or successors or for any cause [TEXT ILLEGIBLE].

9th: The Tenant shall not, without the written consent of the Landlord, assign, mortgage or hypothecate this lease, nor sublet the premises or any part thereof.

10th: The Tenant shall not occupy or use the leased premises or any part thereof, nor permit or suffer the same to be occupied or used for any purposes other than as herein limited, nor for any purposes deemed unlawful, disreputable, or extra hazardous, on account of fire or other casualty.

11th: This lease shall not be lien against the said premises in respect to any mortgages that may hereafter be placed upon said premises. The recording of such mortgage or mortgages shall have preference and

precedence and be superior and prior in lien to this lease, irrespective of the date of recording and the Tenant agrees to execute any instruments, without cost, which may be deemed necessary or desirable, to further effect the subordination of this lease to any such mortgage or mortgages. A refusal by the Tenant to execute such instruments shall entitle the Landlord to the option of cancelling this lease, and the term hereof is hereby expressly limited accordingly.

12th: If the land and premises leased herein, or of which the leased premises are a part, or any portion thereof, shall be taken under eminent domain or condemnation proceedings, or if suit or other actions shall be instituted for the taking or

condemnation thereof, or if in lieu of any format condemnation proceedings or actions, the Landlord shall grant an option to purchase and or shall sell and convey the said premises or any portion thereof, to the governmental or other public authority, agency, body or public utility, seeking to take said land and premises or any portion thereof, then this lease, at the option of the Landlord, shall terminate, and the term hereof shall end as of such date as the Landlord shall fix by notice in writing; and the Tenant shall have no claim or right to claim or be entitled to any portion of any amount which may be awarded as damages or paid as the result of such condemnation proceedings or paid as the purchase price for such option, sale or conveyance in lieu of formal condemnation proceedings; and all rights of the Tenant to damages, if any, are hereby assigned to the Landlord. The Tenant agrees to execute and deliver any instruments, at the expense of the Landlord, as may be deemed necessary or required to expedite any condemnation proceedings or to effectuate a proper transfer of title to such governmental or other public authority, agency, body or public utility seeking to take or acquire the said lands and premises or any portion thereof. The Tenant covenants and agrees to vacate the said premises, remove all the Tenant's personal property therefrom and deliver up peaceable possession thereof to the Landlord or to such other party designated by the Landlord in the aforementioned notice. Failure by the Tenant to comply with any provisions in this clause shall subject the Tenant to such costs, expenses, damages and losses as the Landlord may incur by reason of the Tenant's breach hereof.

13th: In case of fire or other casualty, the Tenant shall give immediate notice to the Landlord. If the premises shall be partially damaged by fire, the elements or other casualty, the Landlord shall repair the same as speedily as practicable, but the Tenant's obligation to pay the rent hereunder shall not cease. If, in the opinion of the Landlord, the premises be so extensively and substantially damaged as to render them untenantable, then the rent shall cease until such time as the premises shall be made tenantable by the Landlord. However, if, in the opinion of the Landlord, the premises be totally destroyed or so extensively and substantially damaged as to require practically a rebuilding thereof, then the rent shall be paid up to the time of such destruction and then and from thenceforth this lease shall come to an end. In no event however, shall the provisions of this clause become effective or be applicable, if the fire or other casualty and damage shall be the result of the carelessness, negligence or improper conduct of the Tenant or the Tenant's agents, employees, guests, licensees, invitees, subtenants, assignees or successors. In such case, the Tenant's liability for the payment of the rent and the performance of all the covenants, conditions and terms hereof on the Tenant's part to be performed shall continue and the Tenant shall be liable to the Landlord for the damage and loss suffered by the Landlord. If the Tenant shall have been insured against any of the risks herein covered, then the proceeds of such insurance shall be paid over to the Landlord to the extent of the

Landlord's costs and expenses to make the repairs hereunder, and such insurance carriers shall have no recourse against the Landlord for reimbursement.

14th: If the Tenant shall fail or refuse to comply with and perform any conditions and covenants of the within lease, the Landlord may, if the Landlord so elects, carry out and perform such conditions and covenants, at the cost and expense of the Tenant, and the said cost and expense shall be payable on demand, or at the option of the Landlord shall be added to the installment of rent due immediately thereafter but in no case later than one month after such demand, whichever occurs sooner, and shall be due and payable as such. This remedy shall be in addition to such other remedies as the Landlord may have hereunder by reason of the breach by the Tenant of any of the covenants and conditions in this lease contained.

15th: The Tenant agrees that the Landlord and the Landlord's agents, employees or other representatives, shall have the right to enter into and upon the said premises or any part thereof, at all reasonable hours, for the purpose of examining the same or making such repairs or alterations therein as may be necessary for the safety and preservation thereof. This clause shall not be deemed to be covenant by the Landlord nor be construed to create an obligation on the part of the Landlord to make such inspection or repairs.

16th: The Tenant agrees to permit the Landlord and the Landlord's agents, employees or other representatives to show the premises to persons wishing to rent or purchase the same, and Tenant agrees that on and after next preceding the expiration of the term hereof, the Landlord or the Landlord's agents, employees or other representatives shall have the right to place notices on the front of said premises or any part hereof, offering the premises for rent or for sale; and the Tenant hereby agrees to permit the same to remain thereon without hindrance or molestation.

17th: If for any reason it shall be impossible to obtain fire and other hazard insurance on the buildings and improvements on the leased premises, in an amount and in the form and in insurance companies acceptable to the Landlord, the Landlord may, if the Landlord so elects at any time thereafter, terminate this lease and the term hereof, upon giving to the Tenant fifteen days notice in writing of the Landlord's intention so to do, and upon the giving of such notice, this lease and the term thereof shall terminate. If by reason of the use to which the premises are put by the Tenant or character of or the manner in which the Tenant's business is carried on, the insurance rates for fire and other hazards shall be increased, the Tenant shall upon demand, pay to the Landlord, as rent, the amounts by which the premiums for such insurance are increased. Such payment shall be paid with the next installment of rent but in no case later than one month after such demand, whichever occurs sooner.

18th: Any equipment, fixtures, goods or other property of the Tenant, not removed by the Tenant upon the termination of this lease, or upon any quitting, vacating or abandonment of the premises by the Tenant or upon the Tenant's eviction, shall be considered as abandoned and the Landlord shall have the right, without any notice to the Tenant, to sell or otherwise dispose of the same, at the expense of the Tenant, and shall not be accountable to the Tenant for any part of the proceeds of such sale, if any.

19th: If there should occur any default on the part of the Tenant in the performance of any conditions and covenants herein contained, or if during the term hereof the premises or any part thereto shall be or become abandoned or deserted, vacated, or vacant, or should the Tenant be evicted by summary proceedings or otherwise, the Landlord, in addition to any other remedies herein contained or as may be permitted by law, may either by force or otherwise, without being liable for prosecution therefor, or for damages, re-enter the said premises and the same have and again possess and enjoy; and as agent for the Tenant or otherwise, re-let the premises and receive the rents therefor and apply the same, first to the payment of such expenses, reasonable attorney fees and costs, as the Landlord may have been put to in re-entering and repossessing the same and in making such repairs and alterations as may be necessary; and second to the payment of the rents due hereunder. The Tenant shall remain liable for such rents as may be in arrears and also the rents as may accrue subsequent to the re-entry by the Landlord, to the extent of the difference between the rents reserved hereunder and the rents, if any, received by the Landlord during the remainder of the unexpired term hereof, after

deducting the aforementioned expenses, fees and costs; the same to be paid as such deficiencies arise and are ascertained each month.

20th: Upon the occurrence of any of the contingencies set forth in the preceding clause, or should the Tenant be adjudicated a bankrupt, insolvent or placed in receivership, or should proceedings be instituted by or against the Tenant for bankruptcy, insolvency, receivership, agreement of composition or assignment for the benefit of creditors, or if this lease or the estate of the Tenant hereunder shall pass to another by virtue of any court proceedings, writ of execution, levy, sale, or by operation of law, the Landlord may, if the Landlord so elects, at any time thereafter, terminate this lease and the term hereof, upon giving to the Tenant or to any trustee, receiver, assignee or other person in charge of or acting as custodian of the assets or property of the Tenant, five days notice in writing, of the Landlord's intention so to do. Upon the giving of such notice, this lease and the term hereof shall end on the date fixed in such notice as if the said date was the date originally fixed in this lease for the expiration hereof; and the Landlord shall have the right to remove all persons, goods, fixtures and chattels therefrom, by force or otherwise, without liability for damages.

21st: The Landlord shall not be liable for any damage or injury which may be sustained by the Tenant or any other person, as a consequence of the failure, breakage, leakage or obstruction of the water, plumbing, stream, sewer, waste or soil pipes, roof, drains, leaders, gutters, valleys, downspouts or the like or of the electrical, gas, power, conveyor, refrigeration, sprinkler, airconditioning, or heating systems, elevators or hoisting equipment; or by reason of the elements; or resulting from the carelessness, negligence or improper conduct on the part of any other Tenant or of the Landlord or the Landlord's or this or any other Tenant's agents, employees, guests, licensees, invitees, subtenants, assignees or successors; or attributable to any interference with, interruption of or failure, beyond the control of the landlord, of any services to be furnished or supplied by the Landlord.

22nd: The various rights, remedies, options and elections of the Landlord, expressed herein, are cumulative, and the failure of the Landlord to enforce strict performance by the Tenant of the conditions and covenants of this lease or to exercise any election or option or to resort or have recourse to any remedy herein conferred or the acceptance by the Landlord of any installment of rent after any breach by the Tenant, in any one or more instances, shall not be construed or deemed to be a waiver of a relinquishment for the future by the Landlord of any such conditions and covenants, options, elections or remedies, but the same shall continue in full force and effect.

23rd: This lease and the obligation of the Tenant to pay the rent hereunder and to comply with the covenants and conditions hereof, shall not be affected, curtailed, impaired or excused because of the Landlord's inability to supply any service or material called for herein, by reason of any rule, order, regulation or preemption by any governmental entity, authority, department, agency or subdivision or for any delay which may arise by reason of negotiations for the adjustment of any fire or other casualty loss or because of strikes or other labor trouble or for any cause beyond the control of the Landlord.

24th: The terms, conditions, covenants and provisions of this lease shall be deemed to be severable. If any clause or provision herein contained shall be adjudged to be invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, it shall not affect the validity of any other clause or provision herein, but such other clauses or provisions shall remain in full force and effect.

25th: All notices required under the terms of this lease shall be given and shall be complete by mailing such notices by certified or registered mail, return receipt requested, to the address of the parties as shown at the head of this lease, or to such other address as may be designated in writing, which notice of change of address shall be given in this same manner.

26th: The Landlord covenants and represents that the Landlord is the owner of the premises herein leased and has the right and authority to enter into, execute and deliver this lease; and does further covenant that the Tenant on paying the rent and performing the conditions and covenants herein contained, shall and may peaceably and quietly have, hold and enjoy the leased premises for the term aforementioned.

27th: This lease contains the entire contract between the parties. No representative, agent or employee of the Landlord has been authorized to make any representations or promises with reference to the within letting or to vary, alter or modify the terms hereof. No additions, changes or modifications, renewals or extensions hereof, shall be binding unless reduced to writing and signed by the Landlord and the Tenant.

28th: If in any calendar year during the term and of any renewal or extension of the term hereof, the annual municipal taxes assessed against the land and improvements leased hereunder or of which the premises herein leased are a part, shall be greater than the municipal taxes assessed against the said lands and improvements for the calendar year 1996, which is hereby designated as the base year, then, in addition to the rent herein fixed, the Tenant agrees to pay a sum equal to One Hundred (100%) percent of the amount by which said tax exceeds the annual tax for the base year, inclusive of any increase during any such calendar year. The said sum shall be considered as additional rent and shall be paid in as many equal installments as there are months remaining in the calendar year in which said taxes exceed the taxes for the base year, on the first day of each month, in advance, during the remaining months of that year. If the term hereof shall commence after the first day of January or shall terminate prior to the last day of December in any year, then such additional rent resulting from a tax increase shall be proportionately adjusted for the fraction of the calendar year involved.

29th: If any mechanics' or other liens shall be created or filed against the leased premises by reason of labor performed or materials furnished for the Tenant in the erection, construction, completion, alteration, repair or addition to any building or improvement, the Tenant shall upon demand, at the Tenant's own cost and expense, cause such lien or liens to be satisfied and discharged of record together with any Notices of Intention that may have been filed. Failure so to do, shall entitle the Landlord to resort to such remedies as are provided herein in the case of any default of this lease, in addition to such as are permitted by law.

30th: The Tenant waives all rights of recovery against the Landlord or Landlord's agents, employees or other representatives, for any loss, damages or injury of any nature whatsoever to property or persons for which the Tenant is insured. The Tenant shall obtain from Tenant's insurance

carriers and will deliver to the Landlord, waivers of the subrogation rights under the respective policies.

31st: The Tenant has this day deposited with the Landlord the sum of $6,118.00 as security for the payment of the rent hereunder and the full and faithful performance by the Tenant of the covenants and conditions on the part of the Tenant to be performed. Said sum shall be returned to the Tenant, without interest, after the expiration of the term hereof, provided that the Tenant has fully and faithfully performed all such covenants and conditions and is not in arrears in rent. During the term hereof, the Landlord may, if the Landlord so elects, have recourse to such security, to make good any default by the Tenant, in which event the Tenant shall on demand, promptly restore said security to its original amount. Liability to repay said security to the Tenant shall run with the reversion and title to said premises, whether any change in ownership thereof be by voluntary alienation or as the result of judicial sale, foreclosure or other proceedings, or the exercise of a right of taking or entry by any mortgagee. The Landlord shall assign or transfer said

security, for the benefit of the Tenant, to any subsequent owner or holder of the reversion or title to said premises, in which case the assignee shall become liable for the repayment thereof as herein provided, and the assignor shall be deemed to be released by the Tenant from all liability to return such security. This provision shall be applicable to every alienation or change in title and shall in no wise be deemed to permit the Landlord to retain the security after termination of the Landlord's ownership of the reversion or title. The Tenant shall not mortgage, encumber or assign said security without the written consent of the Landlord.

The Landlord may pursue the relief or remedy sought in any invalid clause, by conforming the said clause with the provisions of the statutes or the regulations of any governmental agency in such case made and provided as if the particular provisions of the applicable statutes or regulations were set forth herein at length.

In all references herein to any parties, persons, entities or corporations the use of any particular gender or the plural or singular number is intended to include the appropriate gender or number as the text of the within instrument may require. All the terms, covenants and conditions herein contained shall be for and shall inure to the benefit of and shall bind the respective parties hereto, and their heirs, executors, administrators, personal or legal representatives, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals, or caused these presents to be signed by their proper corporate officers and their proper corporate seal to be hereto affixed, the day and year first above written.

BEAUTY AND BARBER INSTITUTE, INC.

Signed, Sealed and Delivered
in the presence of
or Attested by

By: /s/ Fred Polk

Landlord

DYNAMICWEB TRANSACTION SYSTEMS, INC.

By: /s/ Nina Pescatore

Tenant

State of New Jersey, County of _____ } ss.: Be it Remembered that on _____, 19___, before me, the subscriber, _____, personally appeared _____, who, I am satisfied, _____ the person _____ named in and who executed the within Instrument, and thereupon _____ acknowledged that _____ signed, sealed and delivered the same as _____ act and deed, for the uses and purposes therein expressed.

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

State of New Jersey, County of _____ } ss.: Be it Remembered that on _____, 19___, before me, the subscriber, _____, personally appeared _____, who, being by me duly sworn on h _____ oath, deposes and makes proof to my satisfaction, that _____ he is the _____ Secretary of _____ the Corporation named in the within Instrument; that _____ is the President of said Corporation; that the execution, as well as the making of this Instrument, has been duly authorized by a proper resolution of the Board of Directors of the said Corporation; that deponent well knows the

corporate seal of said Corporation; and that the seal affixed to said Instrument is the proper corporate seal and was thereto affixed and said Instrument signed and delivered by said _____ President as and for the voluntary act and deed of said Corporation, in presence of deponent, who thereupon subscribed h _____ named thereto as attesting witness.

Sworn to and subscribed before me,
the date aforesaid.

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LEASE

BEAUTY AND BARBER INSTITUTE, INC.

TO

DYNAMIC WEB, INC.

Dated, , 1996

Expires, December 30, 2002
Rent, $ See attached Addendum

SIMON, SARVER & ROSENBERG, P.A.
ONE PASSAIC AVENUE
FAIRFIELD, NEW JERSEY 07004
ATTENTION: MARTIN SARVER, ESQ.
Prepared by: Martin Sarver, Esq.

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ASSIGNMENT OF LEASE

For one dollar and other good and valuable consideration, the Tenant as Assignor, assigns this Lease and all the Assignor's rights and privileges therein, including any and all monies deposited with the Landlord as security, subject to all the terms, covenants and conditions contained therein; and the Assignee accepts this Assignment of Lease and assumes and agrees to comply with and be bound by the terms, covenants and conditions in said Lease contained. The signature of the Landlord hereto is evidence of the Landlord's consent to and acceptance of this Assignment of Lease.

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

Assignee Assignor

Landlord

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RIDER TO LEASE AGREEMENT

THIS RIDER is annexed to and made a part of the Lease Agreement dated October 11, 1996, between BEAUTY AND BARBER INSTITUTE, INC., as "Landlord", and DYNAMICWEB TRANSACTION SYSTEMS, INC., as "Tenant".

The printed portion of the Lease Agreement is hereby modified and supplemented as follows. Wherever three is any conflict between the Rider and the Lease Agreement, the provisions of this Rider are paramount and the Lease Agreement shall be construed accordingly.

SECTION 1ST:

Delete the printed Section 1st in its entirety and replace it with the following:

"1st: The Tenant covenants and agrees to pay to the Landlord, as rent for and during the Term hereof the sum of $177,203.50 in the following manner:

Between March 1, 1997 and October 31, 1997, the sum of $24,472.00 payable monthly at the rate of $3,059.00 per month;

Between November 1, 1997 and October 31, 1998, the sum of $36,708.00 payable monthly at the rate of $3,059.00 per month;

Between November 1, 1998 and October 31, 1998, the sum of $38,019.00 payable monthly at the rate of $3,168.25 per month;

Between November 1, 1999 and October 31, 2000, the sum of $38,674.50 payable monthly at the rate of $3,222.88 per month;

Between November 1, 2000 and October 31, 2001, the sum of $39,330.00 payable monthly at the rate of $3,277.50 per month;

Tenant acknowledges that the rent is a net rent except that Landlord will pay the underlying municipal taxes as provided for in Paragraph 28th, will pay the condominium fees and will pay the common area maintenance expenses, and Tenant agrees that it will pay all other expenses associated with the use and occupancy of the Premises including, but not limited to utilities, repairs, etc."

SECTION 4TH:

Add the following to the end of the printed Section 4th:

"Tenant shall be permitted to make the alterations and improvements set forth on the attached drawing, but Tenant shall be responsible for all costs associated with said alterations and improvements. Any portable non-permanent work stations installed by Tenant shall remain the property of the Tenant and shall be removed by the Tenant at the termination of this Lease."

SECTION 9TH:

Add the following to the end of the printed Section 9th:

"Landlord shall not unreasonably withhold its consent to an assignment or sublease of the Premises or any part thereof."

SECTION 32ND:

Tenant acknowledges that the Premises is a condominium and agrees to abide by the terms and conditions of the condominium association.

SECTION 33RD:

Tenant shall have the right of first refusal to purchase the Premises.

SECTION 34TH:

Landlord and Tenant agree that in the event the Landlord transfers ownership of the Premises this Lease shall continue in full force and effect.

SECTION 35TH:

Notwithstanding anything herein to the contrary, Tenant shall be permitted to take possession of the Premises immediately upon payment of the security provided for herein and the first month's rent shall be due and payable on or before March 1, 1997.

IN WITNESS WHEREOF, the undersigned have caused its duly authorized representatives to set their hands and seals as of the day and year first above written.

ATTEST: BEAUTY AND BARBER INSTITUTE, INC.

- - ---------- BY: /s/ Fred Polk

ATTEST: DYNAMICWEB TRANSACTION SYSTEMS, INC.

- - ---------- BY: /s/ Nina Pescatore

LEASE AGREEMENT

LEASE AGREEMENT, made between The Mask Group, 36 Pinebrook Rd., Towaco, NJ 07082 (Landlord) and Software Associates, Inc. 219 Paterson Ave., Little Falls, NJ 07424 (Tenant).

For good consideration it is agreed between the parties as follows:

1). Landlord hereby leases and rents to the Tenant the premises described as follows:

The property consists of an Office Condominium Units located at Fairfield Commons, 271 Rt 46 W, Fairfield, NJ 07004, Units designated as F107, F108, F109, F110.

2). This lease shall be in effect for a term of 25 years, commencing on July 1, 1994 and ending on June 30, 2018.

3). Tenant shall pay the landlord the annual rent of $37,500.00 during said term, in monthly payments of $3,125.00, each, payable monthly in advance.

4). The Tenant will give the Landlord a Security amount equal to 1.5 times the monthly rental amount. The Security shall be held by the Landlord during the term of the Lease. The Landlord may deduct any expenses incurred in connection with the Tenant's failure to comply with any agreement in this Lease. For example, if the Tenant does not leave the premises in good condition at the end of the Term, the Security may be used to put it in good condition. If the amount needed exceeds the Security, the Tenant shall pay the additional amount to the Landlord on demand. Within 30 days after the end of the Term, the Landlord shall return to the Tenant (A) the Security, less any deductions made under this lease, (B) a statement itemizing the deductions.

5). Landlord is entitled to annual rent increases not to exceed 5% of the prior annual rental amount.

6). The tenant may not do any of the following without the landlord's written consent: (A) Assign this lease, (B) Sublet all or any part of this lease.

7). Utilities, Services, Fees. Tenant is responsible for the following: (A) Heat (B) Hot and Cold Water (C) Electric (D) Air Conditioning (E) Telephone (F) Cleaning (G) Garbage removal. (H) Condo Association Fees.

The Landlord shall not be liable to the Tenant for any interruption or delay of these services beyond the control of the Landlord.

8). Tenant's Repairs, Maintenance and Compliance. The Tenant shall:

(A) Promptly comply with all laws, orders, rules and requirements of any governmental authorities, property owners association, insurance carriers, board of fire underwriters.

(B) Keep and maintain the Premises in a neat, safe, clean, and sanitary manner. Vehicles may be driven or parked only in the designated parking areas.

(C) Take care of the Premises and all the Fixtures in it.

(D) Promptly make all necessary repairs and replacements to the Premises and all equipment and fixtures in it whenever the need results from the Tenants act or neglect. This includes damage caused by the Tenant's employees, or guests.

(E) Promptly notify the Landlord when there are conditions

in need of repair.

(F) Remove from the Premise all garbage and debris and take to the disposal area for collection

(G) Use all Electric, Plumbing, Sanitary, Heating, Cooking, and other facilities in and around the House in a safe and reasonable way.

(H) Obey any written instructions of the Landlord for the care and use of appliances, equipment, and other personal property in the Premises.

(I) Keep nothing inflammable or dangerous in the Premise.

NOTE. The Tenant shall pay for all expenses necessary to comply with the above.

9). Landlord's Repairs. The Landlord shall, at the Landlord's expense make necessary repairs and replacements to the Premise and all equipment and fixtures in it if not caused by the act or neglect of the Tenant, the Tenant's employees, or guests

10). Access to the_Premises. The Landlord shall have access to the premise on reasonable notice to the Tenant to (A) inspect the Premise, (B) make necessary repairs, alterations or improvements (C) supply necessary services (D) show the Premise to potential renters, contractors, and insurers.

11). No Alteration or Installation of Equipment. The Tenant shall not make any changes or additions to the Premise without the Landlord's written consent. Any changes made by the

Tenant without the Landlord's written consent shall be removed by the Tenant on demand.

12). Fire and other casualty.__The Tenant shall give the Landlord immediate notice of any fire or other casualty in the Premise. If the Premise cannot be used because of fire or casualty, the Tenant is not required to pay rent for the time the Premise is unusable. If the fire or casualty is caused by act or neglect of the Tenant or the Tenant's employees or guests, the Tenant shall pay for all repairs and all other damages. In that case the Tenant must pay the rent for the full Term. If the Premise is partially damaged by fire or casualty without the act or neglect of the Tenant, the Landlord shall repair it as soon as possible. This Lease shall terminate if the Premise is totally destroyed by fire or other casualty without the act or neglect of the Tenant or the Tenant's employees or guests.

13). Non-liability of Landlord. The Landlord is not liable for loss, injury or damage to any person or property unless it has to do with the Landlord's act or neglect. The Tenant shall repay the Landlord any monies spent by the Landlord due to the Tenant's act or neglect. The Tenant is responsible for all acts or neglect of the Tenant's employees or guests. The Tenant may obtain insurance to cover this liability.

14). Violation, Eviction, Re-entry and Damages. The Landlord may evict the Tenant for violation of any agreement in this Lease and for all other causes provided by Law. The Landlord may then re-enter and regain possession of the Premise. The Landlord may sue the Tenant for all damages, including loss of rental income and reasonable attorney's fees, resulting from the Tenant's violation of any agreement in this lease.

15). Notices. All notices given under this Lease shall be in writing. Unless otherwise provided by law, they may be given by personal delivery to the other party, or by certified mail. Notices shall be addressed to each party at the addresses listed at the beginning of this Lease.

16). Survival. If any agreement of this Lease is contrary to Law, the rest of the Lease shall remain in force.

17). No Changes. The parties have read this Lease. It contains their entire agreement. It may not be changed except in writing signed by the Landlord and the Tenant.

18). End of Term. At the end of the Term, the Tenant shall leave the Premise clean and in good condition, remove all of the Tenant's property, repair any damage that might have occurred, and return the Premise to the Landlord in the same condition as it was at the beginning of the Term, except for normal wear caused by reasonable use.

19). Binding. This Lease binds the Landlord and the Tenant and their Heirs, personal representatives, successors, and lawful assigns.

20). Signatures. The Landlord and the Tenant agree to the terms of this Lease by signing below.

/s/ Kenneth R. Konikowski	7/1/94
- - ------------------------------	------------------------
LANDLORD	DATE
/s/ Kenneth R. Konikowski	7/1/94
- - ------------------------------	------------------------
TENANT	DATE

SUBSIDIARIES OF THE REGISTRANT

As of the filing of this Report, DynamicWeb Enterprises, Inc. has the following subsidiaries:

Name of Subsidiary	State of Incorporation
DynamicWeb Transaction Systems, Inc.	New Jersey
Megascore, Inc.	Delaware
Software Associates, Inc.	New Jersey

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EXHIBIT 27

DYNAMICWEB ENTERPRISES, INC.
(formerly Seahawk Capital Corporation)

FINANCIAL DATA SCHEDULE

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