

As filed with the Securities and Exchange Commission on
December 30, 1998

Registration No. 333-67439

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 1
TO
FORM S-2
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

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

New Jersey (State or other Juris- diction of Incorpora- tion or Organization	7372 (Primary Standard Industrial Classif- ication Code Number)	22-2267658 (I.R.S. Employer Identification Number)
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DynamicWeb Enterprises, Inc.
271 Route 46 West
Building F, Suite 209
Fairfield, New Jersey 07004
(973) 244-1000

(Address, including zip code, and telephone number,
including area code, of Registrant's principal executive offices)

Steven L. Vanechanos, Jr.
Chief Executive Officer
DynamicWeb Enterprises, Inc.
271 Route 46 West
Building F, Suite 209
Fairfield, New Jersey 07004
(973) 244-1000

(Name, address, including zip code, and telephone number,
including area code, of agent for service)

Copies to:

Stephen F. Ritner, Esquire	Irwin A. Kishner, Esquire
Scott H. Spencer, Esquire	Herrick, Feinstein, LLP
Stevens & Lee	2 Park Avenue
One Glenhardie Corporate Center	New York, New York 10016
1275 Drummers Lane	(212) 592-1435
P.O. Box 236	
Wayne, Pennsylvania 19087	
(610) 964-1480	

Approximate date of commencement of proposed sale to the public:
From time to time, at the discretion of the selling shareholders,
after the effective date of this Registration Statement.

If any of the securities being registered on this form are
to be offered on a delayed or continuous basis pursuant to
Rule 415 under the Securities Act of 1933, other than securities
offered only in connection with dividend or interest reinvestment
plans, check the following box. []

If this Form is filed to register additional securities for
an offering pursuant to Rule 462(b) under the Securities Act,
please check the following box and list the Securities Act
registration statement number of the earlier effective
registration statement for the same offering. []

If this Form is a post-effective registration statement

filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If delivery of the prospectus is expected to be made pursuant to Rule 434 please check the following box. []

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Unit(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
Common Stock	3,000	\$2.43	\$7,290	\$2.15
Common Stock issuable upon conversion of convertible preferred stock(2)	769,230	\$ 2.43	\$1,869,229	\$551.42
Common Stock issuable upon exercise of warrants(3)	162,500	\$6.00	\$825,000	\$287.62
Common Stock issuable upon exercise of options of Perry & Co.(4)	45,000	\$5.50	\$247,500	\$73.01
Common Stock issuable upon exercise of options of Joel Arberman.(4)	45,000	\$5.50	\$247,500	\$73.01

- (1) Estimated pursuant to Rule 457(a) solely for purposes of calculating the Registration Fee.
- (2) Calculated pursuant to Rule 457(g)(3) in accordance with paragraph (c), using the average of the bid and asked prices on November 10, 1998, solely for the purposes of calculating the Registration Fee.
- (3) Calculated pursuant to Rule 457(g)(1) using a fixed exercise price of \$6.00 per share for the Common Stock, solely for the purposes of calculating the Registration Fee.
- (4) Calculated pursuant to Rule 457(g)(1) using a fixed exercise price of \$5.50 per share for the Common Stock, solely for the purposes of calculating the Registration Fee.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Cross Reference Table

Location in Prospectus of
Information Required by Part I of Form S-2

Item No.	Caption	Location in Prospectus
1	Front of the Registration Statement and Outside Front Cover Page of Prospectus	Outside Front Cover Page
2	Inside Front and Outside Back Cover Pages of Prospectus	Inside Front Cover Page and Outside Back Cover Pages, Additional Information
3	Summary Information and Risk Factors	Prospectus Summary, Risk Factors
4	Use of Proceeds	Not Applicable
5	Determination of Offering Price	Offering Price
6	Dilution	Not Applicable
7	Selling Security Holders	Selling Security Holders
8	Plan of Distribution	Plan of Distribution
9	Description of Securities	Description of Securities
10	Interests of Named Experts and Counsel	Legal Matters, Experts
11	Information with Respect to Registrant	Incorporation of Certain Information by Reference
12	Incorporation of Certain Information by Reference	Incorporation of Certain Information by Reference
13	Disclosure of Commission Position on Indemnification for Securities Act Liabilities	Disclosure of Commission Position on Indemnification for Securities Act Liabilities

PROSPECTUS

1,024,730 SHARES
DYNAMICWEB ENTERPRISES, INC.
COMMON STOCK

This prospectus ("Prospectus") relates to an total of 1,024,730 shares (the "Shares") of common stock, \$.0001 par value (the "Common Stock") of DynamicWeb Enterprises, Inc. Throughout this Prospectus, DynamicWeb Enterprises, Inc. is referred to as either the "Company," "DynamicWeb," or "we" or "us." The Shares under this Prospectus are being sold by certain selling security holders (the "Selling Security Holders") described below. The Selling Security Holders are parties other than the Company who either presently own Shares of the Company or who have a right to acquire Shares of the Company in the future. This offering (the "Offering") consists of six components:

(i) The Shaar Fund Ltd. (the "Shaar Fund") purchased 1,500 shares of Series A Convertible Preferred Stock (the "Preferred Stock") and 137,500 Warrants (the "Shaar Warrants") in a

Regulation D private placement. A Regulation D private placement is a sale of stock that does not require registration under the Securities Act of 1933, as amended (the "1933 Act"). A total of 906,730 of the Shares has been acquired or may be acquired by the Shaar Fund at different times by the exercise of conversion rights of the Preferred Stock and the exercise of the Shaar Warrants. The Shares acquired may be sold from time to time by the Shaar Fund.

(ii) Perry & Co. ("Perry") received 45,000 stock options, (the "Perry Options") as payment for investor relations services it has agreed to provide to the Company under the terms of an agreement dated April 2, 1998. The Perry Options give Perry & Co. the right to purchase 45,000 Shares which may be sold from time to time by Perry.

(iii) The Malachi Group, Inc. ("Malachi") received 8500 warrants (the "Malachi Warrants") as payment for investor relations services it provided to the Company in 1998.

(iv) Peter Baxter, Jr. ("Baxter") received 1,000 shares of Common Stock and 8500 warrants (the "Baxter Warrants") as payment for investor relations services it provided to the Company in 1998.

(v) Joel Arberman ("Arberman") received 45,000 options (the "Arberman Options") as payment for investor relations services he agreed to provide to the Company under the terms of an agreement dated April 2, 1998

(vi) Zazoff Associates, L.L.C. ("Zazoff") received 2,000 shares of Common Stock and 8000 warrants (the "Zazoff Warrants") as payment for investor relations services it provided to the Company in 1998.

The Company's Common Stock is traded on the National Association of Securities Dealers, Inc. ("NASD") Over-the-Counter ("OTC") Bulletin Board under the symbol "DWEB."

The Company will not receive any of the money from any sales made by the Selling Security Holders. All expenses of registration incurred in connection with this offering are being paid by the Company, but all selling and other expenses incurred by the Selling Security Holders will be paid by the Selling Security Holders if and when they sell their Shares. See "Selling Security Holders."

THE SECURITIES OFFERED HERE ARE SPECULATIVE AND INVOLVE A SUBSTANTIAL DEGREE OF RISK. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER THE FACTORS SET FORTH UNDER "RISK FACTORS" AT PAGE 3.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus is _____, 1998.
AVAILABLE INFORMATION

The Company has filed with the Securities and Exchange Commission (the "Commission") a Registration Statement on Form S-2 (together with all amendments and exhibits thereto, the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the securities offered hereby. This Prospectus, which is Part I of the Registration Statement, constitutes a part of the Registration Statement and does not contain all of the information set forth therein. Any statements contained herein concerning the provisions of any contract or other document are not necessarily complete and, in each instance, reference is made to the copy of

such contract or other document filed as an exhibit to the Registration Statement. Each such statement is qualified in its entirety by such reference. For further information with respect to the Company and the securities offered hereby, reference is made to the Registration Statement and the exhibits and schedules thereto. A copy of the Registration Statement, with exhibits, may be obtained from the Commission's office in Washington, DC at 450 Fifth Street, NW, Washington, DC 20549 upon payment of the fees prescribed by the rules and regulations of the Commission, or examined there without charge.

The Company is subject to the informational requirements of the Exchange Act, and, in accordance therewith, files reports, proxy statements, and other information with the Securities and Exchange Commission (the "Commission"). Reports, proxy statements and other information filed with the Commission can be inspected and copied at the public reference facilities of the Commission at 450 Fifth Street, NW, Washington, DC 20549. Copies of this material can also be obtained at prescribed rates from the Public Reference Section of the Commission at its principal office at 450 Fifth Street, NW, Washington, DC 20549. The Commission maintains a World Wide Web site that contains reports, proxy and information statements and other information regarding issuers that file electronically with the Commission, such as the Company. The address of such site is <http://www.sec.gov>.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Company incorporates by reference herein the following documents filed with the Commission pursuant to the Exchange Act, except those portions described in detail below.

1. The Company's Annual Report on Form 10-KSB for the fiscal year ended September 30, 1997;
2. The Company's Quarterly Reports on Form 10-QSB for the fiscal quarters ended December 31, 1997, March 31, 1998, and June 30, 1998.
3. The Company's Proxy Statement filed June 25, 1998.
4. All other reports filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 since September 30, 1997.

This Prospectus is accompanied by a copy of the Company's latest Form 10-KSB and Form 10-QSB\A No. 1. The Company will provide upon request, without charge, to each person to whom a prospectus is delivered a copy of the additional documents listed above, other than exhibits to such documents (unless such exhibits are specifically incorporated by reference into such documents). Such requests should be made to: DynamicWeb Enterprises, Inc., 271 Route 46 West, Building F, Suite 209, Fairfield, New Jersey 07004. Telephone number (973) 244-1000.

ANY STATEMENT CONTAINED IN A DOCUMENT INCORPORATED OR DEEMED TO BE INCORPORATED BY REFERENCE HEREIN SHALL BE DEEMED TO BE MODIFIED OR SUPERSEDED FOR PURPOSES OF THIS PROSPECTUS TO THE EXTENT THAT A STATEMENT CONTAINED HEREIN MODIFIES OR SUPERSEDES SUCH STATEMENT. ANY SUCH STATEMENT SO MODIFIED OR SUPERSEDED SHALL NOT BE DEEMED, EXCEPT AS SO MODIFIED OR SUPERSEDED, TO CONSTITUTE A PART OF THIS PROSPECTUS.

THE BUSINESS OF DYNAMICWEB ENTERPRISES, INC.

DynamicWeb is involved in the business of "electronic commerce." The term "electronic commerce" is a shorthand expression for how businesses use computers to electronically send and receive business documents. This allows businesses to reduce or eliminate the paperwork involved in buying and selling their products.

DynamicWeb develops and sells computer software products and provides services to businesses to help them engage in electronic commerce.

Background of the Industry

In electronic commerce, computers and telecommunications take the place of paper documents, mail and faxes. Businesses now use computers to electronically send and receive a wide variety of business documents. These include, for example, product catalogs, price lists, purchase orders and invoices.

Electronic Data Interchange ("EDI") is a specific form of electronic commerce. It refers to when a business transmits data with its customers or its vendors in the course of a business transaction. A typical example of EDI is electronically placing a purchase order for merchandise with a vendor, and having the vendor electronically confirm the order and produce an invoice when the goods are shipped. The computers of the buyer and the seller communicate and exchange the relevant information. They use an agreed-upon or standard format to do so.

In an earlier stage of electronic commerce, companies that wanted to do business electronically needed to have an arrangement with special type of computer network. That network is referred to as a value-added computer network, or "VAN." A VAN provides standardized forms and acts as a kind of electronic post office, where data and forms are exchanged, parties can communicate via email, and funds can be electronically transferred.

DynamicWeb's Products and Services

Primarily, our business is providing electronic commerce services including the sale of the computer equipment and software for customers who want to engage in electronic commerce. We function as the customer's data service center in support of their electronic commerce transactions. Second, we provide consulting services in the area of electronic commerce.

We sell three principal electronic commerce packages:

<PAGE 1>

- Our first package is called EDIexchange(sm). It allows businesses to deal with each other electronically through a document exchange network. We sell this package primarily to customers who do not have an internal electronic commerce capability.

- Our second package is called EDIexchange(sm) Buy or Sell. It allows businesses that already are set up to conduct electronic commerce transactions to offer electronic commerce capability to their customers or suppliers who do not yet have that capability.

- Our third package is called EDIexchange Connect(sm). It is a narrower product for companies that use the RealWorld and Synchronics computerized accounting systems. It allows users of those systems to either send or receive documents electronically directly from within the accounting system. For example, a company could electronically send the company's income statement to another party. Additionally, we offer an option with EDIexchange Connect(sm) that allows a business to electronically create a shipping list or product list.

Current Customers

The following charts show some of our customers and the packages that they are using.

EDIxchange (sm)

Company	Business
Sound Design, Inc.	Manufacturer of electronic equipment
Church & Dwight	Manufacturers of Arm & Hammer Baking Soda
Royal Daulton	Maker of fine china
Rusberrie	Manufacturer of Gift Items

EDIxchange(sm) Buy or Sell

Company	Business
Rite Aid Pharmacy	Retail pharmacy chain
Southern New England Bell Telephone	Communications
Service Merchandise	Retail discount chain
Linens N' Things	Retail home accessories
Great American Knitting Mills	Makers of Gold Toe socks

Recent Business Changes

In May 1998, we bought Design Crafting, Inc., a company that provided electronic commerce consulting services. We felt <PAGE 2> that the purchase of Design Crafting, Inc. would help us expand our consulting services.

Before September of 1998, we had a business structure that was composed of a parent company, DynamicWeb Enterprises, Inc., and four subsidiaries. On September 30, 1998, we merged all of the subsidiaries into the parent company to help streamline the structure of our organization.

RISK FACTORS

The purchase of our common stock is very risky. You should not invest any money you cannot afford to lose. Before you buy our stock, you should carefully read this entire Prospectus. We have highlighted for you what we think are the major risks which could most affect our business. There are certainly other risks that could affect our business.

Continuous Losses

DynamicWeb has been engaged in the electronic commerce business since only March of 1996. We have lost money every quarter since that time. As of June 30, 1998, we had lost a total of \$5,595,349. We cannot give assurances that we will soon make a profit or if we will ever make a profit. Among other things, we have to market and sell substantially more of our products and services and hire and keep good employees. We cannot give assurances that we will be successful in our efforts.

Auditors' Going Concern Considerations

Our auditors' opinion on our financial statements as of September 30, 1997, calls attention to substantial doubts as to the ability of the Company to continue as a going concern.

Need for More Capital

We raised approximately \$3.2 million net of expenses when we sold our stock in a public offering in February 1998. As of August 1998, we had spent the money from the sale to run the company. We raised a net amount of \$779,000 from the sale of the first portion of the Preferred Stock to the Shaar Fund in August, 1998. By December of 1998, we had used that money to run the Company. We raised an additional \$500,000 in the sale of the second and final stage of the Preferred Stock in December of 1998. We anticipate that money will last until approximately March 1999.

We believe we will need to raise a large amount of additional capital to survive and to become a profitable business. If we are not able to raise additional funding in a timely manner, we may have to scale back our operations or possibly cease operations. If we sell more common stock, the interests of existing investors in DynamicWeb may be diluted, <PAGE 3> meaning that their percentage ownership of the Company will be reduced.

Expected Operating Losses

We expect to lose substantial amounts of money in the near future. We do expect that our sales will increase substantially in the near future. However, our expenses have been increasing substantially and will continue to do so, because we have hired more employees and need to spend more money to develop and market our products. We cannot give any assurances that the Company will ever be able to make a profit.

New Product Risk

Electronic commerce products are new. At this time, there is limited use of electronic commerce products. As with any new product, its acceptance by customers is unpredictable. There are many competitors trying to sell the same kind of products as DynamicWeb. We may never sell enough products to make a profit.

Companies have used other traditional means of doing business for many years. It is difficult to convince companies to adopt new technology. We need to convince a large number of industries that using electronic commerce means is the best way for them to conduct business.

Dependence on the Internet

We have based our future on the development of the Internet. The Internet is a way for a customer to use his or her computer to access a worldwide network of computers. The Internet allows a computer in one location to talk to or communicate with a computer at any location in the world through the network. The Internet has a number of problems that could affect our business. Improvements are needed in protecting information sent through the Internet; we need increased reliability of the Internet and new, faster ways of transferring information are necessary for our products to become more attractive to customers. The Internet improvements are not under our control. We must depend on others to address these improvements.

At this time, the costs of using the Internet are based on a monthly charge. For the monthly charge, a business can send one or one million transactions over the network and the cost of access does not change. We do not know if the favorable monthly charge system will continue or if future government regulations will drive up the cost of using the Internet.

The Internet lacks a uniform, consistent way to keep company information sent via the Internet safe and secure. Until this problem is addressed, use of the Internet to conduct business is likely to develop more slowly. <PAGE 4>

Technology Changes

Technological changes in the computer software industry happen rapidly. If we don't respond to those changes quickly and efficiently, we will not be a competitive company in the industry. We face a significant danger because we presently only have three products to sell and they all provide essentially one service.

Penny Stock

Any stock which falls below \$5.00 per share selling price in the public market is called a "Penny Stock." A Penny Stock is subject to certain rules issued by the Securities and Exchange Commission before an investor can purchase the shares. These rules are designed to protect investors from gambling on cheap stocks in hopes of picking the occasional big winner. When our stock falls below \$5.00 and becomes a Penny Stock, it makes it difficult for a broker or dealer to sell the stock to an investor because of the extra steps the broker/dealer must take before selling the stock. Although there are exceptions to the rules for certain institutional or high net worth individuals, usually, the broker\dealer must: (a) determine the suitability of the purchase for the particular investor; (b) provide a first time investor in Penny Stock with a document disclosing the risks of investing in this type of stock; and (c) have the purchase approved by a compliance officer of the brokerage firm. These rules have been enacted because of the history of the substantial risk of the loss of an investment in Penny Stocks. Because of the time required to comply with these requirements it could become difficult for you to sell an investment in DynamicWeb if our stock is subject to the "Penny Stock" rules. You may want to sell your shares of the Company at a time when you can show a profit, however by the time a sale of your shares is approved, the stock price may have declined to the point where you will have a loss on your investment. A sale of Penny Stock does not usually take place as quickly as that of a stock trading on a national stock exchange. Because of the difficulty in dealing in Penny Stocks, many broker\dealers are unwilling to participate in buying and selling our shares. Our stock has recently sold for over \$5.00, however the price has often been quoted below \$5.00 and has been subject to the additional "Penny Stock" rules.

Market for Shares

Our common stock has not been traded actively and the investment community has not shown a great deal of interest in our shares. Simply, there have been relatively few buyers and sellers of our stock. We have recently agreed to have our shares marketed over the Internet. We had hoped that the additional public exposure about us and our products would increase the interest in our stock, but we have not seen a significant change in the number of shares being traded. Because we are not traded on a national exchange, the quotation for the price of our stock is difficult for an investor to obtain without professional help.

<PAGE 5> Out stock quote is generally not found in many daily newspaper quotations. All of these factors may make it difficult to sell your shares of DynamicWeb, since investors do not have easy access to information concerning our stock.

Competition

The electronic commerce industry is intensely competitive and changes rapidly. There are many larger, more established companies such as Microsoft and IBM that sell electronic commerce packages. We are faced with significant competition from those companies that are already established in the industry. They have significantly more resources than we do.

We expect competition to intensify in the industry.

Reliance on Other Software

We use software that is licensed from other companies with our software products. The licensed software is an essential part of our products. We do not have exclusive rights to any of the essential software; it can be licensed to anyone, including our competitors. Any of the essential software could become unavailable or too expensive for us to use with our products. If any of the essential software licenses becomes unavailable, our products would have to be redesigned or new software obtained. There can be no assurance that is possible.

Reliance on PERL.

The Company's software is written using Practical Extraction and Reporting Language ("PERL"). This language is presently used to write software for use on the Internet. Because the Internet design and standards for use are not controlled by any certain organization or individual, the continued use of PERL for Internet programs is not guaranteed. If the programming language for the Internet were to change, we could incur substantial expenses in an attempt to continue to support and develop PERL.

Dependence on Distribution and Marketing Relationships

We do not have a large number of sales and marketing employees. Consequently, our distribution channels are limited. We need to achieve broad distribution of our products to generate sales for the Company. We must maintain and develop relationships with leading companies that market software products and electronic commerce services.

Dependence on Intellectual Property Rights

We use software technology that was developed by us for use on the Internet. We have applied for a patent on the software, called NetCat, but have not yet been granted the patent. We may not get the patent or even if we do it may not sufficiently protect our rights in the technology. The patent <PAGE 6> would not provide protection outside of the United States. Even if the patent is granted, it may be challenged and we may have to spend a significant amount of money to defend the patent.

Patent infringement litigation is common in the electronic commerce industry. We don't think we are infringing on any patents or other intellectual property rights. However, if we are accused of violating another company's intellectual property rights, we may have to spend significant amounts of money defending ourselves.

Risks Associated with Encryption Technology

The security of sending and receiving financial data over the Internet is a major concern for our customers and for us. We provide encryption of the data exchanged using our products through the use of a third party encryption technology. With the rapid advances and changes in the encryption technology area, we cannot guarantee that the system we use to protect customer data will not be compromised. If our system of protection and others like it in use on the Internet become compromised, it could materially affect our business. Convincing customers to use the Internet for financial transactions without being able to guarantee the privacy of their information would be extremely difficult.

Liability and Availability of Insurance

We are responsible for the electronic exchange of many types of business documents using our products and systems. These documents include the operational documents of our customers such as orders, invoices, shipping and payment documents. If for any reason we were unable to provide our service, we could be liable to our customers for their loss of business. We carry insurance policies to try and protect us in the event that we are sued by any customer for loss of business due to our failure to provide contracted services. Although we believe that we have adequate policies in effect, there is no guarantee that they will be sufficient to cover all potential losses.

Business Fluctuations

We are a new business venture. Most new business

ventures experience fluctuations in revenue as they build their customer base and attempt to sell their new products in the marketplace. Without a large client base with a history of purchasing our services, we are unable to predict with any level of confidence the levels of revenue we will be able to generate over the near future. Our revenues could fluctuate over a wide range as we pursue establishing our business. This fluctuation may cause rapid changes in the price of our stock.

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Key Personnel

Our success will depend largely on retaining several of our key senior management and technical personnel. This includes our Chairman of the Board, Steven L. Vanechanos Jr., James D. Conners, President of the Company and Kenneth R. Konikowski, Executive Vice President of the Company. The Company requires key personnel sign a confidentiality and non-competition agreement as part of their employment but these do not protect us from the loss of their knowledge and expertise were they to leave the Company. We have key man life insurance in the amount of \$3,000,000 on Steven L. Vanechanos, Jr.

Ability to Attract Qualified Personnel

We feel our success in the future is highly dependent on attracting additional highly skilled, technical, professional services, management and sales and marketing personnel. The market for these types of professionals is highly competitive and more established companies are able to provide higher salaries and better benefits. The intensely competitive nature of the market for skilled personnel is expected to continue indefinitely.

Management of Growth

If the Company were to experience a period of rapid growth it would require significant changes in our current operating structure and environment to handle that change. We would need to change operations, hire more personnel, and improve numerous internal Company policies and systems to accommodate the change. There is no guarantee that the Company could successfully manage those changes without a negative effect on our revenues.

Ability to Issue Blank Check Preferred Stock: New Jersey Anti-Takeover Provisions.

The Board of Directors has the authority to issue 5,000,000 shares of Preferred Stock without the approval of the Shareholders. The Board can also determine any dividend, conversion ratio or privilege pertaining to the Preferred Stock without Shareholder approval. We have already issued 1500 Preferred Shares to the Shaar Fund, Ltd. Although the issuance of Preferred Stock enables us to obtain additional revenue for use by the Company in our operations it potentially makes us less attractive and more difficult for a third party to acquire the Company. The acquisition of the Company might be a welcome event from the Company's viewpoint, the issuance of the Preferred Stock could greatly hinder that possibility. A potential acquirer of the Company may not be able to acquire a majority of the outstanding stock needed to acquire the Company because of the outstanding shares of Preferred Stock and the associated conversion rights.

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Additionally, New Jersey Law prevents the Company from engaging in a "business combination" with an "interested stockholder" for a period of five years after the date on which the person became an "interested stockholder". A person is considered an "interested stockholder" once they own over 10% of the Company's shares. The exception to this rule allows a "business combination" if the Board of Directors had approved the combination prior to the person becoming an "interested stockholder". The application of this rule could make it

difficult for the Company to pursue what could be a positive "business combination".

An additional hurdle to a potential positive acquisition of the business by a third party is created by the system of election of the Board of Directors. Our Company By-Laws (the rules under which we must operate) require that our Board of Directors be elected for staggered terms. This provision of our By-Laws would make it difficult for a third party to obtain control of the Company since they could only elect a portion of the Board members at the expiration of each term. This system of election of Directors reduces the likelihood of the Company being viewed as an attractive acquisition candidate.

Government Regulation and Legal Uncertainties.

Presently, we are not subject to direct regulation by any federal or state governmental agency, other than the rules that are applied to businesses in general. The general business rules apply to doing business over the Internet. If the Internet becomes more accepted as a means of doing business, it is possible that additional rules specific to doing business on the Internet could be issued by various agencies or governmental bodies. If the Internet becomes subject to additional rules and restrictions as to its use for businesses, it may have a dampening effect on the growth of the use of the Internet for electronic commerce.

Possible Volatility of Stock Price

Our stock price is subject to the volatility inherent to a public company. Investors react to news of operating results, innovations in the industry and changes in general economic conditions. Stocks in the technology industry are particularly volatile in their reaction to these types of factors. There is always the possibility that our shareholders will blame us for taking some inappropriate action that causes the loss of their investment. In the past these types of situations have resulted in shareholder litigation. If this type of shareholder action were to happen, it would cost us significant amounts of money to litigate.

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Substantial Options and Warrants Reserved

We have an Employee Stock Option Plan. We can issue options to purchase a total of 234,764 shares of Common Stock to our employees and officers under this Plan. To date, we have issued 203,392 options. We also have a Stock Option Plan for Outside Directors and we may issue a total of 78,254 options under this Plan. We have granted 15,648 options to outside directors to date. We have granted warrants to existing shareholders to purchase 125,000 shares of the Company at \$6.00 a share in return for a previous contribution of their Common Stock back to the Company. The Shaar Fund owns warrants for purchase of 137,500 shares of Common Stock at \$6.00 a share in connection with a private placement of Preferred Stock. The exercise of any or all of the Options and Warrants may further dilute the net tangible book value of your investment in the Company. Additionally, the holders of the options and warrants may exercise them at a time when the Company would have been able to sell the associated shares to someone else at a higher price.

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SELLING SECURITY HOLDERS

Background

There are six Selling Security Holders: (i) the Shaar Fund has the right to acquire up to 769,230 shares of the Common Stock upon conversion of the Convertible Preferred Stock and up to 137,500 additional shares of Common Stock upon exercise of the Shaar Warrants; (ii) Perry & Co. has an option to purchase 45,000 shares of Common Stock, which option it received as

compensation for services rendered in 1998; (iii) The Malachi Group, Inc. ("Malachi") has the right to acquire up to 8500 shares of Common Stock upon exercise of warrants received for services rendered in 1998; (iv) Peter Baxter, Jr. ("Baxter") received 1,000 shares of Common Stock and 8500 warrants as payment for services rendered in 1998, the warrants give Baxter the right to acquire an additional 8500 shares of Common Stock. 1998, ; (v) Zazoff Associates, L.L.C. ("Zazoff") received 2,000 shares of Common Stock and 8000 warrants as a payment for services rendered in 1998, The warrants give Zazoff the right to acquire an additional 8000 shares of Common Stock; and (vi) Joel Arberman ("Arberman") has an option to purchase 45,000 shares of Common Stock, which option it received as compensation for services rendered in 1998.

The Shaar Fund

The registration statement of which this Prospectus is a part is being filed, and the Shares offered hereby by the Shaar Fund are included herein, pursuant to registration rights as provided for in the registration rights agreement and option agreements entered into between the Company and the Shaar Fund (collectively, the "Shaar Registration Rights"). Due to the ability of the Shaar Fund to determine when and whether they will sell any Shares under this Prospectus and the uncertainty as to how many of the shares of Preferred Stock and Warrants will be converted or exercised, the Company is unable to determine the exact number of shares that the Shaar Fund will actually sell pursuant to this Prospectus.

In addition, the Company cannot determine how many shares of Common Stock the Shaar Fund will acquire upon conversion of the Preferred Stock, since the actual number of shares of Common Stock to be issued upon the conversion of the Series A Convertible Preferred Stock will be determined by a formula. The tendering for conversion of each share of the Preferred Stock, in the amount of \$1,000 per share, will be credited towards the purchase of the Common Stock at the following prices: (i) for Preferred Stock exchanged between 0-180 days after purchase, the lesser of \$5.50 a share or 85% of Market Price (the average of the lowest 3 days (which do not have to be consecutive) closing bid prices of the Common Stock for the 20 trading days immediately preceding the conversion of the common stock (the "Market Price")); (ii) for Preferred Stock exchanged <PAGE 11> between 180-360 days after purchase, 80% of Market Price; and (iii) for Preferred Stock exchanged 360 days or more after purchase, 78% of Market Price.

The Shaar Fund is the holder of 1500 shares of the Series A Convertible Preferred Stock. The Series A Convertible Preferred Stock ranks (i) prior to any class or series of capital stock of the Company created subsequent to its issue and (ii) prior to the Common Stock; (iii) equally with any class or series or capital stock of the company created subsequent to its issue that specifically ranks on parity with the Series A Convertible Preferred Stock. The Series A Convertible Preferred Stock has a 6% per annum cumulative dividend preference. The dividend preference applies to all classes of stock excepting a class or series created of equal ranking, in which case, the dividend is paid ratably between the equally ranked series. In the event of a liquidation of the company, no distribution may be made to any holder of any shares of any capital stock of the Company prior to a distribution being made to the Series A Convertible Preferred Stock. The Series A Convertible Preferred Stock has no voting power except in corporate matters; (i) affecting the rights, preferences and privileges of the stock and; (ii) proposed liquidation, dissolution, merger, consolidation or recapitalization actions.

The Shaar Fund is the holder of Warrants to purchase 137,500 shares of the Common Stock at an exercise price of \$6.00 per share. The Warrants have no dividend, voting or preemption rights. The holders of the Warrants are entitled solely to

exercise their rights with respect to the purchase of the Common Stock of the Company.

Perry & Co.

The Common Stock relating to the Perry & Co. Option is included herein pursuant to the registration rights provided for in the agreement for investor relations services between the Company and Perry & Co. Due to the ability of Perry & Co. to determine when and whether it will sell any Shares under this Prospectus, the Company is not able to determine the exact number of shares that Perry & Co. will actually sell pursuant to this Prospectus.

The Perry Options entitle the holder to purchase 45,000 shares of the Common Stock at an exercise price of \$5.50 per share. The Perry Options have no dividend, voting or preemption rights. The holder of the Perry Options are entitled solely to exercise their rights with respect to the purchase of the Common Stock of the Company. The Perry Options expire April 2, 2000.

The Malachi Group, Inc.

The Common Stock relating to the Malachi warrants is included herein pursuant to the registration rights provided for in an agreement for investor relations services between the <PAGE 12> Company and Malachi. Due to the ability of Malachi to determine when and whether it will sell any Shares under this Prospectus, the Company is not able to determine the exact number of shares that Malachi will actually sell pursuant to this Prospectus.

The Malachi Warrants entitle the holder to purchase 8500 shares of the Common Stock at an exercise price of \$6.00 per share. The Malachi Warrants have no dividend, voting or preemption rights. The holder of the Malachi Warrants are entitled solely to exercise their rights with respect to the purchase of the Common Stock of the Company.

Peter Baxter, Jr.

The Common Stock and warrants held by Baxter is included herein pursuant to the registration rights provided for in an agreement for investor relations services between the Company and Baxter. Due to the ability of Baxter to determine when and whether it will sell any Shares under this Prospectus, the Company is not able to determine the exact number of shares that Baxter will actually sell pursuant to this Prospectus.

The Baxter Warrants entitle the holder to purchase 8500 shares of the Common Stock at an exercise price of \$6.00 per share. The Baxter Warrants have no dividend, voting or preemption rights. The holder of the Baxter Warrants are entitled solely to exercise their rights with respect to the purchase of the Common Stock of the Company.

Joel Arberman

The Common Stock relating to the Arberman Options is included herein pursuant to the registration rights provided for in the agreement for investor relations services between the Company and Joel Arberman. Due to the ability of Arberman. to determine when and whether it will sell any Shares under this Prospectus, the Company is not able to determine the exact number of shares that Arberman will actually sell pursuant to this Prospectus.

The Arberman Options entitle the holder to purchase 45,000 shares of the Common Stock at an exercise price of \$5.50 per share. The Perry Options have no dividend, voting or preemption rights. The holder of the Arberman Options are entitled solely to exercise their rights with respect to the purchase of the Common Stock of the Company. The Arberman

Options expire April 2, 2000.

Zazoff Associates, L.L.C.

The Common Stock and warrants held by Zazoff is included herein pursuant to the registration rights provided for in an agreement for investor relations services between the Company and Zazoff. Due to the ability of Zazoff to determine <PAGE 13> when and whether it will sell any Shares under this Prospectus, the Company is not able to determine the exact number of shares that Zazoff will actually sell pursuant to this Prospectus.

The Zazoff Warrants entitle the holder to purchase 8000 shares of the Common Stock at an exercise price of \$6.00 per share. The Zazoff Warrants have no dividend, voting or preemption rights. The holder of the Zazoff Warrants are entitled solely to exercise their rights with respect to the purchase of the Common Stock of the Company.

General

The following table identifies each Selling Security Holder based upon information provided to the Company, set forth as of September 30, 1998, with respect to the Shares beneficially held by or acquirable by, as the case may be, each Selling Security Holders and the shares of Common Stock beneficially owned by the Selling Security Holders which are not covered by this Prospectus. No Selling Security Holders or its affiliates have held any position, office or other material relationship with the Company. The percentage figures reflected in the table are based upon (1) conversion of all shares of Preferred Stock into shares of Common Stock at an assumed conversion price of \$1.95 per share, as provided in the Shaar Registration Rights, (2) the exercise of all Shaar Warrants into shares of Common Stock, (3) the exercise of all the Perry Options into shares of Common Stock, (4) 2,246,317 shares of Common stock issued and outstanding as of September 30, 1998. All Warrants and Options are convertible at a one to one conversion rate.

<TABLE>
<CAPTION>

Shares to be		Common
Name of Selling	Common Shares owned	offered to
Selling	Ownership Percentage	Security
Holder	prior to Registration	Holder
Holder	of Common Stock	
<S>	<C>	<C>
	<C>	
Shaar Fund, Ltd	0	
906,730	0.0%	
Perry & Co	0	
45,000	0.0%	
Joel Arberman	0	
45,000	0.0%	
Malachi Group, Inc	0	
8,500	0.0%	
Peter Baxter, Jr.	1000	
8,500	0.0%	
Zazoff Associates, LLC	2000	
8,000	0.0%	

</TABLE>

PLAN OF DISTRIBUTION

The registration statement of which this Prospectus forms a part has been filed pursuant to the registration rights agreement entered into between the Registrant and the Shaar Fund dated August 7, 1998. To the Company's knowledge, as of the date hereof, neither of the Selling Security Holders has entered into any agreement, arrangement or understanding with any particular

broker or market maker with respect to the Shares offered by either of them, nor does the Company know the identity of the <PAGE 14> brokers or market makers which might participate in such offering.

The Shares covered hereby may be offered and sold from time to time by the Selling Security Holders. The Selling Shareholders will act independently of the Company in making decisions with respect to the timing, manner, and size of each sale. Such sale may be made on the OTC Bulletin Board of otherwise, at prices and on terms then prevailing or at prices related to the then market price, or in negotiated transactions. The Shares may be sold by one or more of the following methods: (a) a block trade in which the broker-dealer engaged by a Selling Security Holder will attempt to sell Shares as agent but may position and resell a portion of the block as principal to facilitate the transaction; (b) purchases by the broker-dealer as principal and resale by such broker or dealer for its account pursuant to this Prospectus; and (c) ordinary brokerage transactions and transactions in which the broker solicits purchasers. To the best of the Company's knowledge, neither of the Selling Security Holders has, as of the date hereof, entered into any arrangement with a broker or dealer for the sale of shares through a block trade, special offering, or secondary distribution of a purchase by a broker-dealer. In effecting sales, broker-dealers engaged by a Selling Security Holder may arrange for other broker-dealers to participate. Broker-dealers may receive commissions or discounts from a Selling Security Holder in amounts to be negotiated.

In offering the Shares, the Selling Security Holders and any broker-dealers who execute sales for the Selling Security Holders may be deemed to be "underwriters" within the meaning of the Securities Act in connection with such sales, and any profits realized by the Selling Security Holders and the compensation of such broker-dealer may be deemed to be underwriting discounts and commissions.

Rule 10b-6 under the Exchange Act prohibits participants in a distribution from bidding for or purchasing for an account in which the participant has a beneficial interest, any of the securities that are the subject of the distribution. Rule 10b-7 under the Exchange Act governs bids and purchases made to stabilize the price of a security in connection with a distribution of the security.

There can be no assurance that a Selling Security Holders will sell any or all of the shares of Common Stock registered hereby.

DESCRIPTION OF THE SECURITIES TO BE REGISTERED

General

The Company's authorized capital stock consists of 50,000,000 shares of Common Stock, \$.0001 par value per share, and 5,000,000 shares of undesignated Preferred Stock. As of the <PAGE 15> date of this Prospectus, there were 2,246,317 shares of Common Stock issued and outstanding. As of September 30, 1998, the Common Stock is held of record by approximately 392 stockholders.

Common Stock

Holder of Common Stock have the right to cast one vote, in person or by proxy, for each share owned of record on the record date (as defined in the Company's by-laws) on all matters submitted to a vote of the holders of Common Stock, including the election of directors. Holders of Common Stock do not have cumulative voting rights, which means that holders of more than 50% of the outstanding shares voting for the election of the class of directors to be elected by the Common Stock can elect all of such directors, and, in such event, the holders of

the remaining shares of Common Stock will be unable to elect any of the Company's directors.

Holders of the Common Stock are entitled to share ratably in such dividends as may be declared by the Board of Directors out of funds legally available therefor, when, as and if declared by the Board of Directors and are also entitled to share ratably in all of the assets of the Company available for distribution to holders of shares of Common Stock upon the liquidation, dissolution or winding up of the affairs of the Company. Holders of Common Stock do not have preemptive, subscription or conversion rights. All outstanding shares of Common Stock are, and those shares of Common Stock offered hereby will be, validly issued, fully paid and non-assessable.

LEGAL MATTERS

Certain legal matters relating to the Common Stock offered hereby have been passed upon for the Company by the law firm of Stevens & Lee, Wayne, Pennsylvania and Lancaster, Pennsylvania.

EXPERTS

The consolidated financial statements of DynamicWeb Enterprises, Inc. and Design Crafting, Inc. incorporated by reference or appearing in this Prospectus and Registration Statement have been audited by Richard A. Eisner & Company, LLP, independent auditors, to the extent indicated in their reports thereon (which with respect to DynamicWeb Enterprises, Inc. contains an explanatory paragraph with respect to substantial doubt as to the ability of such company to continue as a going concern) also appearing elsewhere herein and in the Registration Statement or incorporated by reference. Such financial statements have been incorporated herein by reference or included herein in reliance upon such reports given upon the authority of such firm as experts in accounting and auditing.

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DISCLOSURE OF COMMISSION POSITION ON INDEMNIFICATION FOR SECURITIES ACT LIABILITIES

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or persons controlling the company pursuant to the provisions set forth in the company's articles of incorporation, the company has been informed that in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the act and is therefore unenforceable.

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DESIGN CRAFTING, INC.

FINANCIAL STATEMENTS

September 30, 1997 PAGE F-1

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for each of the years ended September 30, 1997
and 1996..... 4

Statements of cash flows for the years ended
September 30, 1997 and 1996..... 5

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Design Crafting, Inc.

We have audited the accompanying balance sheet of Design Crafting, Inc. as of September 30, 1997, and the related statements of income, changes in stockholder's equity and cash flows for each of the years in the two year period then ended. 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 audit.

We conducted our audit 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements enumerated above present fairly, in all material respects, the financial position of Design Crafting, Inc. as of September 30, 1997, and the results of its operations and its cash flows for each of the years in the two-year period then ended, in conformity with generally accepted accounting principles.

/s/ Richard A. Eisner & Company, LLP

Florham Park, New Jersey
July 10, 1998
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Balance Sheet
September 30, 1997

ASSETS

Current assets:	
Cash	\$ 5,015
Accounts receivable	56,812
Prepaid expenses and other current assets	468
Total current assets	62,295
Equipment, net of accumulated depreciation of \$6,662	4,602
	\$66,897

LIABILITIES

Current liabilities:	
Accounts payable and accrued expenses	\$30,597

Taxes payable - current	1,480
Taxes payable - deferred	6,195
Total current liabilities	38,272

STOCKHOLDER'S EQUITY

Common stock, no par value, authorized 1,000 shares issued and outstanding 100 shares	1,000
Retained earnings	27,625
Total stockholder's equity	28,625
	\$66,897

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Statements of Income

	Year Ended	
	September 30,	
	1997	1996
Revenues - services	\$462,541	\$311,363
Cost of services	384,244	241,427
Gross profit	78,297	69,936
Expenses:		
Selling, general and administrative	65,772	58,905
Income before taxes	12,525	11,031
Income taxes	3,250	2,870
Net income	\$ 9,275	\$ 8,161

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Statements of Changes in Stockholder's Equity

<TABLE>
<CAPTION>

Total	Common Stock		Retained Earnings
	Number of Shares	Amount	
<S>	<C>	<C>	<C>
<C>			
Balance, October 1, 1995	100	\$1,000	\$10,189
\$11,189			
Net income	--	--	8,161
8,161			
Balance, September 30, 1996	100	1,000	18,350
19,350			
Net income	--	--	9,275
9,275			
Balance, September 30, 1997	100	\$1,000	\$27,625
\$28,625			

</TABLE>
PAGE F-6

Statements of Cash Flows

<TABLE>
<CAPTION>

Ended	Year	
	September	
30,	1997	1996
<S>	<C>	
<C>		
Cash flows from operating activities:		
Net income	\$ 9,275	
\$ 8,161		
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	2,948	
648		
Deferred income taxes	1,390	
2,700		
Changes in:		
Accounts receivable	(867)	
(29,993)		
Prepaid expenses and other current assets	718	
687		

Accounts payable and accrued expenses	(10,249)
18,691	
Taxes payable	1,310
(725)	
Net cash provided by operating activities	4,525
169	
Cash flows from investing activities:	
Purchase of equipment	(6,902)
(1,296)	
Net decrease in cash	(2,377)
(1,127)	
Cash, beginning	7,392
8,519	
Cash, ending	\$ 5,015
\$ 7,392	

Supplemental disclosure of cash flow information:

Cash paid for:	
Income taxes	\$ 550
\$ 895	

</TABLE>

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Note A - Summary of Significant Accounting Policies and Basis of Presentation

[1] Operations:

Design Crafting, Inc. (the "Company") is a software developer and provides services primarily to customers in the distribution, retail and financial industries.

In 1997, two customers and in 1996 one customer accounted for approximately 91% and 99% of revenues, respectively. As of September 30, 1997, two customers represented 100% of accounts receivable. No allowance for bad debts is required.

[2] Revenue recognition:

Revenue is recognized as the work is performed and services are provided at the customer's locations.

[3] Use of estimates:

The financial statements were prepared on an accrual basis in conformity with generally accepted accounting principles; estimates and assumptions were utilized to quantify certain components of the financial statements in the absence of specific amounts of the respective assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

[4] Equipment:

Equipment is recorded at cost less accumulated depreciation.

Depreciation is provided using accelerated and straight-line methods over the estimated lives of the assets (2 to 3 years).

[5] Income taxes:

The Company accounts for income taxes under the provisions of Statement of Financial Accounting Standard No. 109 Accounting for Income Taxes ("SFAS 109") which requires use of the liability method of Accounting for Income Taxes. The liability method 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. Deferred income taxes arise from temporary differences resulting primarily from income and expense items being reported on an accrual basis for financial statement purposes and on a cash basis for tax purposes. As

a result, the Company had deferred federal and state liabilities of \$6,195 as of September 30, 1997.

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Note B - Employee Benefit Plans

The Company has a qualified simplified employee pension (SEP) under Section 408(k) of the Internal Revenue Code. Employer contributions under a SEP are discretionary and are excluded from the participants taxable income to the extent of 15% of the participant's compensation subject to limits. The Company's contributions to the plan were \$25,742 and \$7,573 for the years ended September 30, 1997 and 1996, respectively.

Note C - Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following:

Wages	\$18,486
Payroll taxes	2,544
Employee benefit plan	7,796
Other	1,771
	\$30,597

Note D - Income Taxes

Year Ended
September 30,
1997 1996

Current tax expenses:

Federal	\$1,120	\$ 20
State	740	150
	1,860	170

Deferred tax expenses:

Federal	830	1,700
State	560	1,000
	1,390	2,700

Provision for taxes	\$3,250	\$2,870
---------------------	---------	---------

The differences between the statutory income tax rate of 34% and the income taxes reported on the statement of income and retained earnings are as follows:

<TABLE>
<CAPTION>

September 30,	Year Ended		
	1996	1997	
<S>	<C>	<C>	
<C>	<C>		
Statutory rate	\$ 4,259	34%	\$
3,751	34%		
Reduction due to graduated income tax rate	(2,380)	(19)	
(2,096)	(19)		
State taxes, net of federal benefit	1,105	9	
978	9		
Other	266	2	
237	2		
Provision for taxes	\$ 3,250	26%	\$
2,870	26%		

</TABLE>

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Note E - Business Combination

On May 1, 1998, the Company completed a merger with Dynamicweb Enterprises, Inc. (Dynamicweb) by exchanging all of its issued and outstanding stock for 92,500 shares of common stock of Dynamicweb with a provision for up to an additional 10,000 shares to be calculated under a formula based on the value at closing and the realization of certain assets within 120 days of the closing.

Unaudited Pro Forma Condensed Financial Statements

On May 1, 1998, DynamicWeb Enterprises, Inc. and subsidiaries (the "Company") completed a stock-for-stock exchange transaction with Design Crafting, Inc. ("Design") which will be accounted for as a purchase in accordance with Accounting Principle Board No. 16. The following unaudited pro forma condensed consolidated statement of operations for the year ended September 30, 1997 and the unaudited pro forma consolidated balance sheet as of September 30, 1997 are adjusted to give effect to the combination with Design by the issuance by the Company of 92,500 of its common shares in exchange for 100% of the Design shares as if such transaction had occurred on October 1, 1996 for the purposes of presenting pro forma statement of operations data and as of September 30, 1997, for presenting the pro forma balance sheet data.

The unaudited condensed pro forma consolidated balance sheet and statement of operations should be read in conjunction with the notes thereto and the audited financial statements of the Company and Design and the notes thereto. The pro forma information is not necessarily indicative of what the financial position and results of operations would have been had the transactions occurred earlier, nor do they purport to represent the future financial position or results of operations of DynamicWeb Enterprises, Inc. and subsidiaries.

Unaudited Pro Forma Condensed Financial Statement Adjustments

- [1] To record the preliminary allocation of the purchase of Design valued at \$474,063. The pro forma information includes the issuance of 92,500 shares of the Company's common stock on May 1, 1998. It does not reflect any contingently issuable shares, up to 10,000, that may be issued in the event that the Company collects certain amounts from the realization of certain assets reported on the Design Crafting, Inc. balance sheet as of May 1, 1998.
- [2] To record amortization of excess of cost over net assets of acquired business over ten years.
- [3] The pro forma weighted average number of shares outstanding is as follows:
- (a) Includes 654,597 shares of the Company's common stock subsequently contributed by certain of the Company's shareholders in exchange for 125,000 warrants.

(b) 92,500 shares issued in connection with the purchase transaction as if they were outstanding for the entire period presented. <PAGE F-11>

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DynamicWeb Enterprises, Inc. and Subsidiaries
Pro Forma Consolidated Balance Sheet Data
Unaudited

<TABLE>
<CAPTION>

Historical

Inc.	Design		DynamicWeb Enterprises, and Subsidiaries
	Crafting, Inc.	As Revised	As Revised
	as of	Pro Forma	as of
		Pro Forma	Pro Forma

1997 September 30, 1997 Adjustments September 30,
Consolidated

		(Unaudited)	
<S>	<C>	<C>	<C>
ASSETS			
Current assets:			
Cash and cash equivalents			\$ 188,270
\$ 5,015		\$ 193,285	
Accounts receivable, less allowance for doubtful accounts			100,425
56,812		157,237	
Prepaid and other current assets			20,738
468		21,206	

Total current assets			309,433
62,295		371,728	
Property and equipment			284,512
4,602		289,114	
Excess of cost over net assets of acquired business			
\$445,438		445,438	
Patents and trademarks, less accumulated amortization			21,808
		21,808	
Customer list, less accumulated amortization			83,333
		83,333	
Deferred registration costs			128,169
		128,169	
Other assets and fees			60,461
		60,461	

\$ 66,897	\$445,438	\$1,400,051	\$ 887,716
			=====
LIABILITIES			
Current liabilities:			
Accounts payable			\$ 182,340
		\$ 182,340	
Accrued expenses			165,941
\$ 30,597		196,538	
Current maturities of long-term debt			7,925
		7,925	
Loan payable - banks			24,049
		24,049	
Loans from stockholders			117,163
		117,163	
Deferred revenue			15,065
		15,065	
Subordinated notes payable			840,873
		840,873	
Taxes payable - current			
1,480		1,480	
Taxes payable - deferred			
6,195		6,195	

Total current liabilities			1,353,356
38,272		1,391,628	
Long-term debt, less current maturities			185,811
		185,811	

38,272		1,577,439	1,539,167

CAPITAL DEFICIENCY

	\$ (1,000) (1)		
Common stock			214
1,000	9 (1)	223	
Additional paid-in capital			3,530,324
	474,054 (1)	4,004,378	
Unearned portion of compensatory stock options			(204,000)
		(204,000)	
Accumulated deficit			(3,577,989)
27,625	(27,625) (1)	(3,577,989)	
			(251,451)
28,625	445,438	222,612	
Less treasury stock			(400,000)
		(400,000)	
Total capital deficiency			(651,451)
28,625	445,438	(177,388)	
			\$ 887,716
\$ 66,897	\$445,438	\$1,400,051	

</TABLE>

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DynamicWeb Enterprises, Inc. and Subsidiaries
 Pro Forma Consolidated Statement of Operations Data
 Unaudited

<TABLE>
 <CAPTION>

Historical

			DynamicWeb Enterprises, and Subsidiaries
Inc.	Design		
	Crafting, Inc.	As Revised	As Revised
			for the year
ended	for the year ended	Pro Forma	Pro Forma
1997	September 30, 1997	Adjustments	September 30, Consolidated

(Unaudited)

<S>			<C>
<C>	<C>	<C>	
Net sales:			
System sales			\$ 116,106
		\$ 116,106	
Services			521,071
\$462,541		983,612	
			637,177
462,541		1,099,718	
Cost of sales:			
System sales			40,323
		40,323	
Services			213,180
384,244		597,424	

			253,503
	384,244	637,747	
Gross profit			383,674
	78,297	461,971	
Expenses:			
Selling, general and administrative			1,854,686
	65,772	\$ 44,543 (2)	1,965,001
Research and development			234,808
		234,808	
			2,089,494
	65,772	44,543	2,199,809
Operating income (loss)			(1,705,820)
	12,525	(44,543)	(1,737,838)
Purchased research and development			(713,710)
			(713,710)
Interest expense			(770,041)
			(770,041)
Interest income			5,068
		5,068	
Income (loss) before income taxes			(3,184,503)
	12,525	(44,543)	(3,216,521)
Income tax (expense) benefit			21,700
	(3,250)	18,450	
Net income (loss)			\$ (3,162,803)
	\$ 9,275	\$ (44,543)	\$ (3,198,071)
			=====
			=====
Pro forma net loss per pro forma weighted average number of shares outstanding			\$ (2.16)
			=====
Pro forma weighted average number of shares outstanding			1,386,383
(3) (a)	92,500	(3) (b)	1,478,883
			=====
			=====

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PART II

Item 14. Other Expenses of Issuance and Distribution.

The following table sets forth the estimated expenses in connection with filing this Registration Statement:

Securities and Exchange Commission filing fee.....	\$ 911.32
Printing and Engraving Expenses.....	1,000.00
Accounting Fee and Expenses.....	7,500.00
Legal Fees and Expenses.....	25,000.00
Miscellaneous.....	500.00
Reimbursement of Legal Fees and Expenses to Shaar Fund, Ltd.....	5,000.00
Total.....	\$39,911.32

Item 15. Indemnification of Directors and Officers.

The Registrant's Certificate of Incorporation provides that the Registrant shall indemnify any person who is or was a director, officer, employee or agent of the Registrant to the fullest extent permitted by the New Jersey Business Corporation Act (the "NJBCA"), and to the fullest extent otherwise permitted by law. The NJBCA permits a New Jersey corporation to indemnify its directors, officers, employees and agents against liabilities and expenses they may incur in such capacities in connection with any proceeding in which they may be involved, unless a judgment or other final adjudication adverse to the director, officer, employee or agent in question establishes that his or her acts or omissions (a) were in breach of his or her duty of loyalty (as defined in the NJBCA) to the Registrant or its shareholders, (b) were not in good faith or involved a knowing violation of law or (c) resulted in the receipt by the director, officer, employee or agent of an improper personal benefit.

Pursuant to the Registrant's Certificate of Incorporation and the NJBCA, no director or officer of the Registrant shall be personally liable to the Registrant or to any of its shareholders for damages for breach of any duty owed to the Registrant or its shareholders, except for liabilities arising from any breach of duty based upon an act or omission (i) in breach of such director's or officer's duty of loyalty (as defined in the NJBCA) to the Registrant or its shareholders, (ii) not in good faith or involving a knowing violation of law or (iii) resulting in receipt by such director or officer of an improper personal benefit.

In addition, the Registrant's Bylaws include provisions to indemnify its officers and directors and other persons against expenses, judgments, fines and amounts incurred or paid in settlement in connection with civil or criminal claims, actions, suits or proceedings against such persons by reason of serving or having served as officers, directors, or in other capacities, if <PAGE II-1> such person acted in good faith, and in a manner such person reasonably believed to be in or not opposed to the best interests of the Registrant and, in a criminal action or proceeding, if he had no reasonable cause to believe that his/her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself,

create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the corporation or that he or she had reasonable cause to believe his or her conduct was unlawful. Indemnification as provided in the Bylaws shall be made only as authorized in a specific case and upon a determination that the person met the applicable standards of conduct.

Item 16. Exhibits and Financial Statement Schedules.

EXHIBIT INDEX

Exhibit
Number

Title

- 3.1.10 Amendment to the Certificate of Incorporation of DynamicWeb Enterprises, Inc. dated August 6, 1998, as filed with the State of New Jersey on August 7, 1998**
- 5.1 Form of Opinion of Stevens & Lee: Legality**
- 10.1 Release and Severance Agreement dated February 12, 1993 between Seahawk Capital Corporation and Robert S. Friedenbergl (incorporated by reference to Exhibit 10.2 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992).
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- 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 (incorporated by reference to Exhibit 10.4 filed with Registrant's Report on Form 10-KSB for the year ended September 30, 1996).
- <PAGE II-2>
- 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).
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- 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).
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Megascore, Inc. (incorporated by reference to Exhibit 1 to the Registrant's Current Report on Form 8-K dated November 30, 1996).

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- 10.15 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).
- 10.16 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).
- 10.17 Lease Agreement dated November 1, 1996 between Beauty and Barber Institute, Inc. and DynamicWeb Transaction Systems, Inc. (incorporated by reference to Exhibit 10.16 filed with Registrant's Report on Form 10-KSB for the year ended September 30, 1996).
- 10.18 Lease Agreement dated November 1, 1994 between Software Associates, Inc. and The Mask Group (incorporated by reference to Exhibit 10.17 filed with Registrant's Report on Form 10-KSB for the year ended September 30, 1996).
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- 10.22 Form of Mergers and Acquisition Agreement between the Registrant and H.J. Meyers & Co., Inc. (incorporated by reference to Exhibit 10.21 to Registrant's SB-2 filed

September 15, 1997).

- 10.23 Letter of amendment dated November 20, 1997 amending Stock Purchase Agreement dated April 7, 1997 between the Registrant and Kenneth R. Konikowski (incorporated by reference to Exhibit 10.22 to Registrant's SB-2 filed September 15, 1997).
- 10.24 Letter of Amendment dated December 15, 1997 amending Stock Purchase Agreement dated April 7, 1997 between <PAGE II-4> the Registrant and Kenneth R. Konikowski (incorporated by reference to Exhibit 10.23 to Registrant's SB-2 filed September 15, 1997).
- 10.25 Form of Warrant and Warrant Agreement with certain shareholders of Registrant (incorporated by reference to Exhibit 10.24 to Registrant's SB-2 filed September 15, 1997).
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- 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).
- 23.1 Consent of Stevens & Lee (included in Exhibit 5.1)
- 23.2 Consent of Richard A. Eisner & Company, LLP*

* Filed herewith
** Previously filed

Item 17. Undertakings

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post <PAGE II-5>-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material

change to such information in the registration statement.

(2) That the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the Offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) Insofar as indemnification for liabilities arising under the Securities Act of 1933 ("Securities Act") may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnifications against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

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SIGNATURES

In accordance with the requirements of the Securities Act of 1933, the Registrant has duly caused this registration statement to be signed on its behalf by the undersigned in the City of Fairfield, State of New Jersey on November 11, 1998.

DYNAMICWEB ENTERPRISES, INC.

By: /s/ Steven L. Vanechanos, Jr.
Steven L. Vanechanos, Jr.
Chief Executive Officer

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Steven L. Vanechanos, Jr., James D. Connors, Steve Vanechanos, Sr., and Steven F. Ritner, Esquire, and each of them, his true and lawful attorney-in-fact, as agent with full power of substitution and resubstitution for him and in his name, place and stead, in any and all capacity, to sign any or all amendments to this Registration Statement and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting to each such attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as each of them might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

In accordance with the requirements of the Securities Act of 1933, as amended, this Registration Statement was signed below by the following persons and in the capacities and on the dates stated.

/s/ STEVEN L. VANECHANOS, JR. Chief Executive Dec. 28, 1998
Steven L. Vanechanos, Jr. Officer and Director

/s/ STEVE VANECHANOS, SR. Steve Vanechanos, Sr.	Treasurer, Chief Financial Officer, and Chief Accounting Officer, Director	Dec. 28, 1998
/s/ F. PATRICK AHEARN F. Patrick Ahearn	Director	Dec. 28, 1998
/s/ DENIS CLARK Denis Clark	Director	Dec. 28, 1998
/s/ FRANK T. DiPALMA Frank T. DiPalma <PAGE II-7>	Director	Dec. 28, 1998
/s/ ROBERT DROSTE Robert Droste	Director	Dec. 28, 1998
/s/ KENNETH R. KONIKOWSKI Kenneth R. Konikowski PAGE II-8	Director	Dec. 28, 1998

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- 23.2 Consent of Richard A. Eisner & Company, LLP*

* Filed herewith

** Previously filed

<PAGE II-12>

THE SHAAR FUND LTD.
c/o SHAAR ADVISORY SERVICES LTD.
62 King George Street, Apartment 4F
Jerusalem, Israel

December 2, 1998

VIA FEDERAL EXPRESS

DYNAMICWEB ENTERPRISES, INC.
Building F, Suite 209
271 Route 46 West
Fairfield, New Jersey 07001
Attention: Steven L. Vanechanos, Jr.

Re: \$400,000 Investment by The Shaar Fund Ltd. in Series A
6% Convertible Preferred Shares and a Common Stock
Purchase Warrant of Dynamicweb Enterprises, Inc.

Gentlemen:

Reference is hereby made in this letter agreement (this
"Letter Agreement") to the following documents:

- (i) the Securities Purchase Agreement dated as of August 7, 1998 (the "Securities, Purchase Agreement") between DYNAMICWEB ENTERPRISES, INC., a New Jersey corporation with principal executive offices located at 271 Route 46 West, Fairfield, NJ 07004 (the "Company") and THE SHAAR FUND, LTD. ("Buyer");
- (ii) the Registration Rights Agreement dated as of August 7, 1998 (the "Registration Rights Agreement") between the Company and Buyer;
- (iii) the Common Stock Purchase Warrant No. 1 dated as of August 7, 1998 ("Warrant No. 1") issued by the Company to Buyer to purchase 87,500 shares of the Company's common stock, par value \$0.0001 (the "Common Stock");
- (iv) the Escrow Instructions dated as of August 7, 1998 (the "Escrow Instruction") among the Company, Buyer and Herrick Feinstein LLP (the "Escrow Agent"; and
- (v) all other documents and instruments executed and delivered by the Company or Buyer on the Initial Funding Date in order to consummate the transactions contemplated pursuant to the Securities Purchase Agreement (collectively, the "Ancillary Documents," and together with the Securities Purchase Agreement, the Securities Purchase Agreement, the <PAGE 1> Registration Rights Agreement, Warrant No. I and the Escrow Instructions, collectively referred to as the "Documents").

In order to consummate the acquisition by Buyer from the Company of ___ shares of the Company's Series A 6% Preferred Stock, par value \$0.001 (collectively, the "New Preferred Shares") and Common Stock Purchase Warrant No. 2 (the "New Warrant") to purchase ___ shares of the Company's Common Stock (a copy of which is attached hereto as Exhibit A) on the Second Funding Date, the parties hereto hereby agree as follows:

1. Definitions. All capitalized terms that are used and not defined herein shall have the respective meaning assigned to them in the Securities Purchase Agreement.

2. Amendments to the Documents.

(a) The parties hereto covenant and agree that the Documents are hereby deemed amended as follows:

(i) all references to Subsequently Issued Preferred Shares in the Documents are amended to mean the New Preferred Shares;

(ii) all references to Subsequently Issued Warrants in the Documents are amended to mean the New Warrant;

(iii) the reference to \$675,000 as the amount of the Second Purchase Price in Section 1.B. of the Securities Purchase Agreement is hereby amended and changed to \$400,000;

(iv) the reference to the definition of the Second Tranche in the Documents as being comprised of the Subsequently Issued Preferred Shares and the Subsequently Issued Warrants is amended and changed to reflect that the Second Tranche is comprised of the New Preferred Shares and the New Warrant.

(b) Without limiting the generality of the foregoing, the following sections of the Documents are hereby amended as follows:

(i) all references to 675 shares of Subsequently Issued Preferred Shares and 67,500 Subsequently Issued Warrants, respectively, in the first and second "WHEREAS" clauses of the Securities Purchase Agreement are amended to mean ___ shares of the New Preferred Shares and the New Warrant to purchase ___ shares of Common Stock, respectively;

(ii) the reference to the 675 shares of Subsequently Issued Preferred Shares and 67,500 Subsequently Issued Warrants in the first "WHEREAS" clause of the <PAGE 2> Registration Rights Agreement is amended to mean ___ shares of Common Stock; and

(iii) the reference to the 675 shares of Subsequently Issued Preferred Shares and 67,500 Subsequently Issued Warrants in the first paragraph of the Escrow Instructions is amended to mean ___ shares of the New Preferred Shares and the New Warrant to purchase shares of Common Stock.

3. Closing Conditions. The Company represents, warrants and covenants that all of the Second Funding Requirements set forth at Section I.B. of the Securities Purchase Agreement have been completed and satisfied in all respects.

4. Conditions to the Buyer's Obligations. The Company understands that Buyer's obligation to purchase the New Preferred Shares and the New Warrant pursuant to this Letter Agreement and the Documents is conditioned upon:

(a) Delivery by the Company to the Escrow Agent on the Second Funding Date of one or more certificates (I/N/O Buyer) evidencing the New Preferred Shares and the New Warrant to be purchased by Buyer pursuant to this Letter Agreement on the Second Funding Date;

(b) The accuracy in all respects on the Second Funding Date of the representations and warranties of the Company contained in the Securities Purchase Agreement as if made on the

Second Funding Date (except for representations and warranties which, by their express terms, speak as of and relate to a specified date, in which case such accuracy shall be measured as of such specified date) and the performance by the Company in all respects on or before the Second Funding Date of all covenants and agreements of the Company required to be performed, by it pursuant to this Agreement on or before the Second Funding Date;

(c) Buyer having received an opinion of counsel for the Company, dated as of the Second Funding Date, in form, scope and substance satisfactory to the Buyer;

(d) There not having occurred (i) any general suspension of trading in, or limitation on prices listed for, the Common Stock on NASD/BBS, (ii) the declaration of a banking moratorium or any suspension of payments in respect of banks in the United States, (iii) the commencement of a war, armed hostilities or other international or national calamity directly or indirectly involving the United States or any of its territories, protectorates or possessions, or (iv) in the case of the foregoing existing at the date of this Agreement, a material acceleration or worsening thereof;

(e) There not having occurred any event or development, and there being in existence no condition, having or which reasonably and foreseeably could have a Material Adverse Effect;

<PAGE 3>

(f) The Company shall have delivered to Buyer (as provided in the Escrow Instructions) reimbursement of Buyer's out-of-pocket costs and expenses incurred in connection with the transactions contemplated by this Agreement and the Securities Purchase Agreement (including the fees and disbursements of Buyer's legal counsel);

(g) There shall not be in effect any Law or order, ruling, judgment or writ of any court or public or governmental authority restraining, enjoining or otherwise prohibiting any of the transactions contemplated by this Letter Agreement or the Securities Purchase Agreement; and

(h) Solely with respect to the closing date occurring on the Second Funding Date, the Company shall have satisfied or performed all of the Second Funding Requirements and all other conditions set forth in Section I.B. of the Securities Purchase Agreement, or Buyer shall have waived the Company's compliance with such requirements.

5. Conditions to the Company's Obligations. The Buyer understands that the Company's obligation to sell the New Preferred Shares and the New Warrant on the Second Funding Date to Buyer pursuant to this Agreement and the Documents is conditioned upon:

(a) Delivery by Buyer to the Escrow Agent of \$400,000 on the Second Funding Date;

(b) The accuracy in all material respects on the Second Funding Date of the representations and warranties of Buyer contained in the Securities Purchase Agreement as if made on the Second Funding Date (except for representations and warranties which, by their express terms, speak as of and relate to a specified date, in which case such accuracy shall be measured as of such specified date) and the performance by Buyer in all material respects on or before the Second Funding Date of all covenants and agreements of Buyer required to be performed by it pursuant to this Letter Agreement or the Securities Purchase Agreement on or before the Second Funding Date; and

(c) There shall not be in effect any Law or order, ruling, judgment or writ of any court or public or governmental authority restraining, enjoining or otherwise prohibiting any of the transactions contemplated by this Letter Agreement or the

Securities Purchase Agreement.

6. Deliveries Upon the Second Funding Date. Upon the Second Funding Date, the Company shall deliver to Buyer the following documents and instruments, all in the form, scope and substance satisfactory to Buyer:

(a) one or more certificates (I/N/O Buyer) evidencing the New Preferred Shares;

(b) the New Warrant (I/N/O Buyer) in the form attached hereto as Exhibit A; <PAGE 4>

(c) the opinion of counsel for the Company dated as of the Second Funding Date in similar form to the opinion delivered on the Initial Funding Date;

(d) an Officers' Certificate of the Company in similar form to the Officers' Certificate delivered on the Initial Funding Date;

(e) a Certificate of Good Standing as of the Second Funding Date; and

(f) the Minutes of the Special Meeting of the Board of Directors of the Company approving the transaction contemplated by this Letter Agreement and the Documents.

7. Closing. The issuance and sale of the Second Tranche shall occur on the Second Funding Date at the offices of the Escrow Agent (as defined in the Securities Purchase Agreement) in accordance with the terms and provisions of the Securities Purchase Agreement.

8. Governing Law; Miscellaneous. This Letter Agreement shall be governed by and interpreted in accordance with the laws of the State of New York, without regard to the conflicts of law principles of such state. Each of the parties consents to the jurisdiction of the federal courts whose districts encompass any part of the City of New York or the state courts of the State of New York sitting in the City of New York in connection with any dispute arising under this Letter Agreement and hereby waives, to the maximum extent permitted by law, any objection, including any objection based on forum non conveniens, to the bringing of any such proceeding in such jurisdictions. A facsimile transmission of this signed Letter Agreement shall be legal and binding on all parties hereto. This Letter Agreement may be signed in one or more counterparts, each of which shall be deemed an original. The headings of this Letter Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Letter Agreement. If any provision of this Letter Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Letter Agreement or the validity or enforceability of this Letter Agreement in any other jurisdiction. This Letter Agreement may be amended only by an instrument in writing signed by the party to be charged with enforcement. This Letter Agreement supersedes all prior agreements and understandings among the parties hereto with respect to the subject matter hereof.

9. Notices. Except as may be otherwise provided herein, any notice or other communication or delivery required or permitted hereunder shall be in writing and shall be delivered personally or sent by certified mail, postage prepaid, or by a nationally recognized overnight courier service, and shall be deemed given when so delivered personally or by overnight courier service, or, if mailed, three (3) days after the date of deposit in the United States mails, as follows:

<PAGE 5>

(a) if to the Company, to:

DYNAMICWEB ENTERPRISES, INC.

271 Route 46 West
Building F, Suite 209
Fairfield, NJ 07001
Attention: Steven L. Vanechanos, Jr.
Telephone: (973) 276-3107
Facsimile: (973) 575-9830

With a copy to:

Stevens & Lee
One Glenhardie Corporate Center Suite 202
Wayne, PA 19087-0234
Attention: Steve Ritner, Esq.
Telephone: (610) 964-1480
Facsimile: (610) 687-1384

(b) if to the Buyer, to

THE SHAAR FUND LTD.,
c/o SHAAR ADVISORY SERVICES LTD.
62 King George Street, Apartment 4F
Jerusalem, Israel
Attention: Samuel Levinson

with a copy to:

Herrick, Feinstein LLP
2 Park Avenue
New York, New York 10016
Attention: Irwin A. Kishner, Esq.
Telephone: (212) 592-1435
Facsimile: (212) 889-7577

The Company, the Buyer or the Escrow Agent may change the foregoing address by notice given pursuant to this Section 9.

10. Confidentiality. Each of the Company and Buyer agrees to keep confidential and not to disclose to or use for the benefit of any third party the terms of this Letter Agreement or any other information which at any time is communicated by the other party as being confidential without the prior written approval of the other party; provided, however, that this provision shall not apply to information which, at the time of disclosure, is already part of the public domain (except by breach of this Letter Agreement) and information which is required to be disclosed by law (including, without limitations pursuant to Item 10 of Rule 601 of Regulation S-K under the Securities Act and the Exchange Act).

11. Assignment. This Letter Agreement shall not be assignable by either of the parties hereto without the prior written consent of the other party, and any attempted assignment contrary to the provisions hereby shall be null and void; provided, however, that Buyer may assign its rights and <PAGE 6> obligations hereunder, in whole or in part, to any affiliate of Buyer who furnishes to the Company the representations and warranties set forth in Section II of the Securities Purchase Agreement and otherwise agrees to be bound by the terms of this Letter Agreement and the Documents.

12. No Further Modification. Except as specifically provided in this Letter Agreement, nothing herein contained shall otherwise modify, reduce, amend or otherwise supplement the terms and provisions of the Documents, each of which remain in full force and effect.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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This letter is being delivered to you in duplicate. If it accurately describes the agreement between us, kindly so indicate by executing and returning one copy to the undersigned whereupon it will constitute our agreement with respect to the matters set forth above.

Sincerely,

THE SHAAR FUND, LTD.

By; INTERCARRIBBEAN SERVICES, INC.

By: _____

Name:

Title:

AGREED TO AND ACCEPTED this
2nd day of December 1998.

DYNAMICWEB ENTERPRISES, INC.

By: _____

Name: Steven L. Vanechanos, Jr.

Title:

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EXHIBIT A

COMMON STOCK PURCHASE WARRANT NO. 2

PAGE 9

THIS COMMON STOCK PURCHASE WARRANT AND THE SECURITIES
REPRESENTED HEREBY HAVE NOT
BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED,
AND MAY NOT BE TRANSFERRED IN VIOLATION OF SUCH ACT,
THE RULES AND REGULATIONS THEREUNDER OR THE PROVISIONS
OF THIS COMMON STOCK PURCHASE WARRANT.

Number of Shares of Common Stock: _____
Warrant No. 2

COMMON STOCK PURCHASE WARRANT

To Purchase Common Stock of

Dynamicweb Enterprises, Inc.

THIS IS TO CERTIFY THAT The Shaar Fund Ltd., or registered
assigns, is entitled, at any time from the Initial Funding Date
(as hereinafter defined) to the Expiration Date (as hereinafter
defined), to purchase from DYNAMICWEB ENTERPRISES, INC., a New
Jersey corporation (the "Company"), 67,500 shares of Common Stock

(as hereinafter defined and subject to adjustment as provided
herein), in whole or in part, including fractional parts, at a
purchase price equal to \$_____ per share, all on the terms and
pursuant to conditions and pursuant to the purchase price equal
to the provisions hereinafter set forth.

1. DEFINITIONS

As used in this Common Stock Purchase War-rant (this
"Warrant"), the following terms have the respective meanings set
forth below:

"Additional Shares of Common Stock" shall mean all
shares of Common Stock issued by the Company after the Initial
Funding Date, other than Warrant Stock.

"Book Value" shall mean, in respect of any share of
Common Stock on any date herein specified, the consolidated book
value of the Company as of the last day of any month immediately
preceding such date, divided by the number of Fully Diluted
Outstanding shares of Common Stock as determined in accordance
with GAAP (assuming the payment of tile exercise prices for such
shares) by Richard A. Eisner & Company, LLP or any other firm of

independent certified public accountants of recognized national standing selected by the Company and reasonably acceptable to the Holder.

"Business Day" shall mean any day that is not a Saturday or Sunday or a day on which banks are required or permitted to be closed in the State of New York.

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"Commission" shall mean the Securities and Exchange Commission or any other federal agency then administering the Securities Act and other federal securities laws.

"Common Stock" shall mean (except where the context otherwise indicates) the Common Stock, par value \$0.0001, of the Company as constituted on the Initial Funding Date, and any capital stock into which such Common Stock may thereafter be changed, and shall also include (i) capital stock of the Company of any other class (regardless of how denominated) issued to the holders of shares of Common Stock upon any reclassification thereof which is also not preferred as to dividends or assets over any other class of stock of the Company and which is not subject to redemption and (ii) shares of common stock of any successor or acquiring corporation received by or distributed to the holders of Common Stock of the Company in the circumstances contemplated by Section 4.4.

"Convertible Securities" shall mean evidences of indebtedness, shares of stock or other securities which are convertible into or exchangeable, with or without payment of additional consideration in cash or property, for shares of Common Stock, either immediately or upon the occurrence of a specified date or a specified event.

"Current Warrant Price" shall mean, in respect of a share of Common Stock at any date herein specified, the price at which a share of Common Stock may be purchased pursuant to this Warrant on such date.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, or any successor federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect from time to time.

"Exercise Period" shall mean the period during which this Warrant is exercisable pursuant to Section 2.1.

"Expiration Date" shall mean December 1, 2001.

"Fully Diluted Outstanding" shall mean, when used with reference to Common Stock, at any date as of which the number of shares thereof is to be determined, all shares of Common Stock Outstanding at such date and all shares of Common Stock issuable in respect of this Warrant, outstanding on such date, and other options or warrants to purchase, or securities convertible into, shares of Common Stock outstanding on such date which would be deemed outstanding in accordance with GAAP for purposes of determining book value or net income per share.

"GAAP" shall mean generally accepted accounting principles in the United States of America as from time to time in effect.

"Holder" shall mean the Person in whose name the Warrant or Warrant Stock set forth herein is registered on the books of the Company maintained for such purpose. <PAGE 11>

"Initial Funding Date" means the date and time of the issuance and sale of the Initially Issued Preferred Shares (as defined in the Securities Purchase Agreement) and the Initially Issued Warrants (as defined in the Securities Purchase Agreement) in the First Tranche (as defined in the Securities Purchase Agreement).

"Market Price" per Common Share means the average of the closing bid prices of the Common Shares as reported on the National Association of Securities Dealers, Inc. ("NASD"), Over ("OTC") the Counter Bulletin Board System ("BBS", together with NASD and OTC, the "NASD/BBS"), or, if such security bid is not listed or admitted to trading on the Nasdaq, on the principal national security exchange or quotation system on which such security is quoted or listed or admitted to trading, or, if not quoted or listed or admitted to trading on any national securities exchange or quotation system the closing bid price of such security on the over-the-counter market on the day in question as reported by the National Quotation Bureau Incorporated, or a similar generally accepted reporting service, or if not so available, in such manner as furnished by any member firm of the NASD selected from time to time by the Board of Directors of the Company for that purpose, or a price determined in good faith by the Board of Directors of the Company as being equal to the fair market value thereof, as the case may be, for the five (5) Trading Days immediately preceding the Initial Funding Date.

"Other Property" shall have the meaning set forth in Section 4.4.

"Outstanding" shall mean, when used with reference to Common Stock, at any date as of which the number of shares thereof is to be determined, all issued shares of Common Stock, except shares then owned or held by or for the account of the Company or any subsidiary thereof, and shall include all shares issuable in respect of outstanding scrip or any certificates representing fractional interests in shares of Common Stock.

"Person" shall mean any individual, sole proprietorship, partnership, joint venture, trust, incorporated organization, association, corporation, institution, public benefit corporation, entity or government (whether federal, state, county, city, municipal or otherwise, including, without limitation, any instrumentality, division, agency, body or department thereof).

"Registration Rights Agreement" shall mean the Registration Rights Agreement dated a date even herewith by and between the Company and The Shaar Fund Ltd., as it may be amended from time to time.

"Restricted Common Stock" shall mean shares of Common Stock which are, or which upon their issuance or the exercise of this Warrant would be, evidenced by a certificate bearing the restrictive legend set forth in Section 9.1(a).

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"Second Funding Date" means the date and time of the issuance and sale of the New Preferred Shares (as defined in the Securities Purchase Agreement) and the New Warrants (as defined in the Securities Purchase Agreement) in the Second Tranche (as defined in the Securities Purchase Agreement).

"Securities Act" shall mean the Securities Act of 1933, as amended, or any successor federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.

"Securities Purchase Agreement" shall mean the Securities Purchase Agreement dated as of August 7, 1998 by and between the Company and The Shaar Fund, Ltd. as it may be amended from time to time.

"Transfer" shall mean any disposition of any Warrant or Warrant Stock or of any interest in either thereof, which would constitute a sale thereof within the meaning of the Securities Act.

"Transfer Notice" shall have the meaning set forth in Section 9.2.

"Warrants" shall mean this Warrant and all warrants issued upon transfer, division or combination of, or in substitution for, any thereof All Warrants shall at all times be identical as to terms and conditions and date, except as to the number of shares of Common Stock for which they may be exercised.

"Warrant Price" shall mean an amount equal to (i) the number of shares of Common Stock being purchased upon exercise of this Warrant pursuant to Section 2.1, multiplied by (ii) the Current Warrant Price as of the date of such exercise.

"Warrant Stock" shall mean the shares of Common Stock purchased by the holders of the Warrants upon the exercise thereof.

2. EXERCISE OF WARRANT

2.1 Manner of Exercise. From and after the Second Funding Date and until 5:00 P.M., New York time, on the Expiration Date, Holder may exercise this Warrant, on any Business Day, for all or any part of the number of shares of Common Stock purchasable hereunder.

In order to exercise this Warrant, in whole or in part, Holder shall deliver to the Company at its principal office at 271 Route 46 West, Fairfield, New Jersey 07004, or at the office or agency designated by the Company pursuant to Section 12, (i) a written notice of Holder's of election to exercise this Warrant, which notice shall specify the number of shares of Common Stock to be purchased, (ii) payment of the Warrant Price in Cash Or by wire transfer or cashier's check drawn on a United States bank and (iii) this Warrant. Such notice shall be substantially in the form of the subscription <PAGE 13> form appearing at the end of this Warrant as Exhibit A, duly executed by Holder or its agent or attorney. Upon receipt of the items referred to in clauses (i), (ii) and (iii) above, the Company shall, as promptly as practicable, and in any event within five (5) Business Days thereafter, execute or cause to be executed and deliver or cause to be delivered to Holder a certificate or certificates representing the aggregate number of full shares of Common Stock issuable upon such exercise, together with cash in lieu of any fraction of a share, as hereinafter provided. The stock certificate or certificates so delivered shall be, to the extent possible, in such denomination or denominations as Holder shall request in the notice and shall be registered in the name of Holder or, subject to Section 9, such other name as shall be designated in the notice. This Warrant shall be deemed to have been exercised and such certificate or certificates shall be deemed to have been issued, and Holder or any other Person so designated to be named therein shall be deemed to have become a holder of record of such shares for all purposes, as of the date the notice, together with the cash or check or checks and this Warrant, is received by the Company as described above and all taxes required to be paid by Holder, if any, pursuant to Section 2.2 prior to the issuance of such shares have been paid. if this Warrant shall have been exercised in part, the Company shall, at the time of delivery of the certificate or certificates representing Warrant Stock, deliver to Holder a new Warrant evidencing the rights of Holder to purchase the unpurchased shares of Common Stock called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant, or, at the request of Holder, appropriate notation may be made on this Warrant and the same returned to Holder. Notwithstanding any provision herein to the contrary, the Company shall not be required to register shares in the name of any Person who acquired this Warrant (or pail hereof) or any Warrant Stock otherwise than in accordance with this Warrant.

2.2 Payment of Taxes and Charges. All shares of Common Stock issuable upon the exercise of this Warrant pursuant to the terms hereof shall be validly issued, fully paid and

nonassessable, freely tradeable and without any preemptive rights. The Company shall pay all expenses in connection with, and all taxes and other governmental charges that may be imposed with respect to, the issue or delivery thereof, unless such tax or charge is imposed by law upon Holder, in which case such taxes or charges shall be paid by Holder. The Company shall not be required, however, to pay any tax or other charge imposed in connection with any transfer involved in the issue of any certificate for shares of Common Stock issuable upon exercise of this Warrant in any name other than that of Holder, and in such case the Company shall not be required to issue or deliver any stock certificate until such tax or other charge has been paid or it has been established to the satisfaction of the Company that no such tax or other charge is due.

2.3 Fractional Shares. The Company shall not be required to issue a fractional share of Common Stock upon exercise of any Warrant. As to any fraction of a share which <PAGE 14> Holder would otherwise be entitled to purchase upon such exercise, the Company shall pay a cash adjustment in respect of such final fraction in an amount equal to the same fraction of the Market Price per share of Common Stock as of the Initial Funding Date.

2.4 Continued Validity. A holder of shares of Common Stock issued upon the exercise, of this Warrant, in whole or in part (other than a holder who acquires such shares after the same have been publicly sold pursuant to a Registration Statement under the Securities Act or sold pursuant to Rule 144 thereunder), shall continue to be entitled with respect to such shares to all rights to which it would have been entitled as Holder under Sections 9, 10 and 14 of this Warrant. The Company will, at the time of exercise of this Warrant, in whole or in part, upon the request of Holder, acknowledge in writing, in form reasonably satisfactory to Holder, its continuing obligation to afford Holder all such rights; provided, however, that if Holder shall fail to make any such request, such failure shall not affect the continuing obligation of the Company to afford to Holder all such rights.

3. TRANSFER, DIVISION AND COMBINATION

3.1 Transfer. Subject to compliance with Section 9, transfer of this Warrant and all rights hereunder, in whole or in part, shall be registered on the books of the Company to be maintained for such purpose, upon surrender of this Warrant at the principal office of the Company referred to in Section 2.1 or the office or agency designated by the Company pursuant to Section 12, together with a written assignment of this Warrant substantially in the form of Exhibit B hereto duly executed by Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall, subject to Section 9, execute and deliver a new Warrant or Warrants in the name of the assignee or assignees and in the denomination specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. A Warrant, if properly assigned in compliance with Section 9, may be exercised by a new Holder for the purchase of shares of Common Stock without having a new warrant issued.

3.2 Division and Combination. Subject to Section 9, this Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office or agency of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by Holder or its agent or attorney. Subject to compliance with Section 3.1 and with Section 9, as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice.

3.3 Expenses. The Company shall prepare, issue and deliver at its own expense (other than transfer taxes) the new Warrant or Warrants under this Section 3.

3.4 Maintenance of Books. The Company agrees to maintain, at its aforesaid office or agency, books for the registration and the registration of transfer of the Warrants.

4. ADJUSTMENTS

The number of shares of Common Stock for which this Warrant is exercisable, or the price at which such shares may be purchased upon exercise of this Warrant, shall be subject to adjustment from time to time as set forth in this Section 4. The Company shall give Holder notice of any event described below which requires an adjustment pursuant to this Section 4 at the time of such event.

4.1 Stock Dividends, Subdivisions and Combinations. If at any time the Company shall:

(a) take a record of the holders of its Common Stock for the purpose of entitling them to receive a dividend payable in, or other distribution of, Additional Shares of Common Stock,

(b) subdivide its outstanding shares of Common Stock into a larger number of shares of Common Stock, or

(c) combine its outstanding shares of Common Stock into a smaller number of shares of Common Stock,

then (i) the number of shares of Common Stock for which this Warrant is exercisable immediately after the occurrence of any such event shall be adjusted to equal the number of shares of Common Stock which a record holder of the same number of shares of Common Stock for which this Warrant is exercisable immediately prior to the occurrence of such event would own or be entitled to receive after the happening of such event, and (ii) the Current Warrant Price shall be adjusted to equal (A) the Current Warrant Price multiplied by the number of shares of Common Stock for which this Warrant is exercisable immediately prior to the adjustment divided by (B) the number of shares for which this Warrant is exercisable immediately after such adjustment.

4.2 Certain Other Distribution. If at any time the Company shall take a record of the holders of its Common Stock for the purpose of entitling them to receive any dividend or other distribution of:

(a) cash,

(b) any evidences of its indebtedness, any shares of its stock or any other securities or property of any nature whatsoever (other than cash, Convertible Securities or Additional Shares of Common Stock), or

(c) any warrants or other rights to subscribe for or purchase any evidences of its indebtedness, any shares of its stock or any other securities or property of any nature whatsoever (other than cash, Convertible Securities or Additional Shares of Common Stock),

then Holder shall be entitled to receive such dividend or distribution as if Holder had exercised the Warrant. A reclassification of the Common Stock (other than a change in par value, or from par value to no par value or from no par value to par value) into shares of Common Stock and shares of any other class of stock shall be deemed a distribution by the Company to the holders of its Common Stock of such shares of such other class of stock within the meaning of this Section 4.2 and, if the outstanding shares of Common Stock shall be changed into a larger

or smaller number of shares of Common Stock as a part of such reclassification, such change shall be deemed a subdivision or combination, as the case may be, of the outstanding shares of Common Stock within the meaning of Section 4.1.

4.3 Other Provisions Applicable to Adjustments under this Section. The following provisions shall be applicable to the making of adjustments of the number of shares of Common Stock for which this Warrant is exercisable and the Current Warrant Price provided for in this Section 4:

(a) When Adjustments to Be Made. The adjustments required by this Section 4 shall be made whenever and as often as any specified event requiring an adjustment shall occur. For the purpose of any adjustment, any specified event shall be deemed to have occurred at the close of business on the date of its occurrence.

(b) Fractional Interests. In computing adjustments under this Section 4, fractional interests in Common Stock shall be taken into account to the nearest 1/10th of a share.

(c) When Adjustment Not Required. If the Company shall take a record of the holders of its Common Stock for the purpose of entitling them to receive a dividend or distribution or subscription or purchase rights and shall, thereafter and before the distribution to stockholders thereof, legally abandon its plan to pay or deliver such dividend, distribution, subscription or purchase rights, then thereafter no adjustment shall be required by reason of the taking of such record and any such adjustment previously made in respect thereof shall be rescinded and annulled.

(d) Challenge to Good Faith Determination. Whenever the Board of Directors of the Company shall be required to make a determination in good faith of the fair value of any item under this Section 4, such determination may be challenged in good faith by the Holder, and any dispute shall be resolved by an investment banking firm of recognized national standing selected by the Company and acceptable to the Holder. <PAGE 17>

4.4 Reorganization, Reclassification, Merger, Consolidation or Disposition of Assets. In case the Company shall reorganize its capital, reclassify its capital stock, consolidate or merge with or into another corporation (where the Company is not the surviving corporation or where there is a change in or distribution with respect to the Common Stock of the Company), or sell, transfer or otherwise dispose of all or substantially all its property, assets or business to another corporation and, pursuant to the terms of such reorganization, reclassification, merger, consolidation or disposition of assets, shares of common stock of the successor or acquiring corporation, or any cash, shares of stock or other securities or property of any nature whatsoever (including warrants or other subscription or purchase rights) in addition to or in lieu of common stock of the successor or acquiring corporation ("Other Property"), are to be received by or distributed to the holders of Common Stock of the Company, then Holder shall have the right thereafter to receive, upon exercise of the Warrant, the number of shares of common stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and Other Property receivable upon or as a result of such reorganization, reclassification, merger, consolidation or disposition of assets by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such event. In case of any such reorganization, reclassification, merger, consolidation or disposition of assets, the successor or acquiring corporation (if other than the Company) shall expressly assume the due and punctual observance and performance of each and every covenant and condition of this Warrant to be performed and observed by the Company and all the obligations and

liabilities hereunder, subject to such modifications as may be deemed appropriate (as determined by resolution of the Board of Directors of the Company) in order to provide for adjustments of shares of Common Stock for which this War-rant is exercisable which shall be as nearly equivalent as practicable to the adjustments provided for in this Section 4. For purposes of this Section 4.4, "common stock of the successor or acquiring corporation" shall include stock of such corporation of any class which is not preferred as to dividends or assets over any other class of stock of such corporation and which is not subject to redemption and shall also include any evidences of indebtedness, shares of stock or other securities which are convertible into or exchangeable for any such stock, either immediately or upon the arrival of a specified date or the happening of a specified event and any warrants or other rights to subscribe for or purchase any such stock. The foregoing provisions of this Section 4.4 shall similarly apply to successive reorganizations, reclassifications, mergers, consolidations or disposition of assets.

4.5 Other Action Affecting Common Stock. In case at any time or from time to time the Company shall take any action in respect of its Common Stock, other than any action described in this Section 4, which would have a materially adverse effect upon the rights of the Holder, the number of shares of Common Stock and/or the purchase price thereof shall be adjusted in such manner as may be equitable in the circumstances, as determined in good faith by the Board of Directors-of the Company. <PAGE 18>

4.6 Certain Limitations. Notwithstanding anything herein to the contrary, the Company agrees not to enter into any transaction which, by reason of any adjustment hereunder, would cause the Current Warrant Price to be less than the par value per share of Common Stock.

5. NOTICES TO HOLDER

5.1 Notice of Adjustments. Whenever the number of shares of Common Stock for which this Warrant is exercisable, or whenever the price at which a share of such Common Stock may be purchased upon exercise of the Warrants, shall be adjusted pursuant to Section 4, the Company shall forthwith prepare a certificate to be executed by the chief financial officer of the Company setting forth, in reasonable detail, the event requiring the adjustment and the method by which such adjustment was calculated (including a description of the basis on which the Board of Directors of the Company determined the fair value of any evidences of indebtedness, shares of stock, other securities or property or warrants or other subscription or purchase rights referred to in Section 4.2), specifying the number of shares of Common Stock for which this Warrant is exercisable and (if such adjustment was made pursuant to Section 4.4 or 4.5) describing the number and kind of any other shares of stock or Other Property for which this warrant is exercisable, and any change in the purchase price or prices thereof, after giving effect to such adjustment or change. The Company shall promptly cause a signed copy of such certificate to be delivered to the Holder in accordance with Section 14.2. The Company shall keep at its office or agency designated pursuant to Section 12 copies of all such certificates and cause the same to be available for inspection at said office during normal business hours by the Holder or any prospective purchaser of a Warrant designated by the Holder.

5.2 Notice of Corporate Action. If at any time

(a) the Company shall take a record of the holders of its Common Stock for the purpose of entitling them to receive a dividend or other distribution, or any right to subscribe for or purchase any evidences of its indebtedness, any shares of stock of any class or any other securities or property, or to receive any other right, or

(b) there shall be any capital reorganization of

the Company, any reclassification or recapitalization of the capital stock of the Company or any consolidation or merger of the Company with, or any sale, transfer or other disposition of all or substantially all the property, assets or business of the Company to, another corporation, or

(c) there shall be a voluntary or involuntary dissolution, liquidation or winding up of the Company;

then, in any one or more of such cases, the Company shall give to Holder (i) at least 30 days' prior written notice of the date on which a record date shall be selected for such dividend, <PAGE 19> distribution or right or for determining rights to vote in respect of any such reorganization, reclassification, merger, consolidation, sale, transfer, disposition, dissolution, liquidation or winding up, and (ii) in the case of any such reorganization, reclassification, merger, consolidation, sale, transfer, disposition, dissolution, liquidation or winding up, at least 30 days' prior written notice of the date when the same shall take place. Such notice in accordance with the foregoing clause also shall specify (i) the date on which any such record is to be taken for the purpose of such dividend, distribution or right, the date on which the holders of Common Stock shall be entitled to any such dividend, distribution or right, and the amount and character thereof, and (ii) the date on which any such reorganization, reclassification, merger, consolidation, sale, transfer, disposition, dissolution, liquidation or winding up is to take place and the time, if any such time is to be fixed, as of which the holders of Common Stock shall be entitled to exchange their shares of Common Stock for securities or other property deliverable upon such reorganization, reclassification, merger, consolidation, sale, transfer, disposition, dissolution, liquidation or winding up. Each such written notice shall be sufficiently given if addressed to Holder at the last address of Holder appearing on the books of the Company and delivered in accordance with Section 14.2.

6. NO IMPAIRMENT

The Company shall not by any action including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in) the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder against impairment. Without limiting the generality of the foregoing, the Company will (a) not increase the par value of any shares of Common Stock receivable upon the exercise of this Warrant above the amount payable therefor upon such exercise immediately Prior to such increase in par value, (b) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable shares of Common Stock upon the exercise of this warrant, and (c) use its best efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof as may be necessary to enable the Company to perform its obligations under this Warrant.

Upon the request of Holder, the Company will at any time during the period this Warrant is outstanding acknowledge in writing, in form satisfactory to Holder, the continuing validity of this Warrant and the obligations of the Company hereunder.
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7. RESERVATION AND AUTHORIZATION OF COMMON STOCK

From and after the Initial Funding Date, the Company shall at all times reserve and keep available for issue upon the exercise of Warrants such number of its authorized but unissued shares of Common Stock as will be sufficient to permit the

exercise in full of all outstanding Warrants. All shares of Common Stock which shall be so issuable, when issued upon exercise of any Warrant and payment therefor in accordance with the terms of such Warrant, shall be duly and validly issued and fully paid and nonassessable, and not subject to preemptive rights.

Before taking any action which would cause an adjustment reducing the Current Warrant Price below the then par value, if any, of the shares of Common Stock issuable upon exercise of the Warrants, the Company shall take any corporate action which may be necessary in order that the Company may validly and legally issue fully paid and non-assessable shares of such Common Stock at such adjusted Current Warrant Price.

Before taking any action which would result in an adjustment in the number of shares of Common Stock for which this Warrant is exercisable or in the Current Warrant Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

8. TAKING OF RECORD; STOCK AND WARRANT TRANSFER BOOKS

In the case of all dividends or other distributions by the Company to the holders of its Common Stock with respect to which any provision of Section 4 refers to the taking of a record of such holders, the Company will in each such case take such a record and will take such record as of the close of business on a Business Day. The Company will not at any time, except upon dissolution, liquidation or winding up of the Company, close its stock transfer books or Warrant transfer books so as to result in preventing or delaying the exercise or transfer of any Warrant.

9. RESTRICTIONS ON TRANSFERABILITY

The Warrants and the Warrant Stock shall not be transferred, hypothecated or assigned before satisfaction of the conditions specified in this Section 9, which conditions are intended to ensure compliance with the provisions of the Securities Act with respect to the Transfer of any Warrant or any Warrant Stock. Holder, by acceptance of this Warrant, agrees to be bound by the provisions of this Section 9. <PAGE 21>

9.1 Restrictive Legend.

(a) The Holder by accepting this Warrant and any Warrant Stock agrees that this Warrant and the Warrant Stock issuable upon exercise hereof may not be assigned or otherwise transferred unless and until (i) the Company has received an opinion of counsel for the Holder that such securities may be sold pursuant to an exemption from registration under the Securities Act of 1933, as amended (the "Securities Act") or (ii) a registration statement relating to such securities has been filed by the Company and declared effective by the Commission.

Each certificate for Warrant Stock issuable hereunder shall bear a legend as follows unless such securities have been sold pursuant to an effective registration statement under the Securities Act:

"These securities have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state, and are being offered and sold pursuant to an exemption from the registration requirements of the Securities Act and such laws. These securities may not be sold or transferred except pursuant to an effective registration statement under the Securities Act or pursuant to an available exemption from the registration requirements of the Securities Act or such other laws."

(b) Except as otherwise provided in this Section 9, the Warrant shall be stamped or otherwise imprinted with a legend in substantially the following form:

"This Warrant and the securities represented hereby have not been registered under the Securities Act of 1933, as amended, and may not be transferred in violation of such Act, the rules and regulations thereunder or the provisions of this Warrant."

9.2 Notice of Proposed Transfers. Prior to any Transfer or attempted Transfer of any Warrants or any shares of Restricted Common Stock, the Holder shall give ten days, prior written notice (a "Transfer Notice") to the Company of Holder's intention to effect such Transfer, describing the manner and circumstances of the proposed Transfer, and obtain from counsel to Holder who shall be reasonably satisfactory to the Company, an opinion that the proposed Transfer of such Warrants or such Restricted Common Stock may be effected without registration under the Securities Act. After receipt of the Transfer Notice and opinion, the Company shall, within five days thereof, notify the Holder as to whether such opinion is reasonably satisfactory and, if so, such holder shall thereupon be entitled to Transfer such Warrants or such Restricted Common Stock, in accordance with the terms of the Transfer Notice. Each certificate, if any, evidencing such shares of Restricted Common Stock issued upon such Transfer shall bear the restrictive legend set forth in <PAGE 22> Section 9.1(a), and the Warrant issued upon such Transfer shall bear the restrictive legend set forth in Section 9.1(b), unless in the opinion of such counsel such legend is not required in order to ensure compliance with the Securities Act. The Holder shall not be entitled to Transfer such Warrants or such Restricted Common Stock until receipt of notice from the Company under this Section 9.2(a) that such opinion is reasonably satisfactory.

9.3 Required Registration. Pursuant to the terms and conditions set forth in the Registration Rights Agreement, the Company shall prepare and file with the Commission not later than the sixtieth (60th) day after the Initial Funding Date, a Registration Statement relating to the offer and sale of the Common Stock issuable upon exercise of the Warrants and shall use its best efforts to cause the Commission to declare such Registration Statement effective under the Securities Act as promptly as practicable but no later than one hundred and twenty (120) days after the Initial Funding Date.

9.4 Termination of Restrictions. Notwithstanding the foregoing provisions of Section 9, the restrictions imposed by this Section upon the transferability of the Warrants, the Warrant Stock and the Restricted Common Stock (or Common Stock issuable upon the exercise of the Warrants) and the legend requirements of Section 9.1 shall terminate as to any particular Warrant or share of Warrant Stock or Restricted Common Stock (or Common Stock issuable upon the exercise of the warrants) (1) when and so long as such security shall have been effectively registered under the Securities Act and disposed of pursuant thereto or (ii) when the Company shall have received an opinion of counsel reasonably satisfactory to it that such shares may be transferred without registration thereof under the Securities Act. Whenever the restrictions imposed by Section 9 shall terminate as to this Warrant, as hereinabove provided, the Holder hereof shall be entitled to receive from the Company upon written request of the Holder, at the expense of the Company, a new Warrant bearing the following legend in place of the restrictive legend set forth hereon:

"THE RESTRICTIONS ON TRANSFERABILITY OF THE WITHIN WARRANT CONTAINED IN SECTION 9 HEREOF TERMINATED ON _____, 19__, AND ARE OF NO FURTHER FORCE AND EFFECT."

All Warrants issued upon registration of transfer, division or combination of, or in substitution for, any Warrant or Warrants entitled to bear such legend shall have a similar legend endorsed thereon. Whenever the restrictions imposed by this Section shall terminate as to any share of Restricted Common Stock, as hereinabove provided, the holder thereof shall be entitled to receive from the Company, at the Company's expense, a new certificate representing such Common Stock not bearing the restrictive legend set forth in Section 9.1 (a).

9.5 Listing on Securities Exchange. If the Company shall list any shares of Common Stock on any securities exchange,

<PAGE 23> it will, at its expense, list thereon, maintain and, when necessary, increase such listing of, all shares of Common Stock issued or, to the extent permissible under the applicable securities exchange rules, issuable upon the exercise of this Warrant so long as any shares of Common Stock shall be so listed during any such Exercise Period.

o r SUPPLYING INFORMATION

The Company shall cooperate with Holder in supplying such information as may be reasonably necessary for Holder to complete and file any information reporting forms presently or hereafter required by the Commission as a condition to the availability of an exemption from the Securities Act for the sale of any Warrant or Restricted Common Stock.

11. LOSS OR MUTILATION

Upon receipt by the Company from Holder of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of a Warrant and indemnity reasonably satisfactory to it (it being understood that the written agreement of the Holder shall be sufficient indemnity), and in case of mutilation upon surrender and cancellation hereof, the Company will execute and deliver in lieu hereof a new Warrant of like tenor to Holder; provided, in the case of mutilation, no indemnity shall be required if this Warrant in identifiable form is surrendered to the Company for cancellation.

12. OFFICE OF THE COMPANY

As long as any of the Warrants remain outstanding, the Company shall maintain an office or agency (which may be the principal executive offices of the Company) where the Warrants may be presented for exercise, registration of transfer, division or combination as provided in this Warrant.

13. LIMITATION OF LIABILITY

No provision hereof, in the absence of affirmative action by Holder to purchase shares of Common Stock, and no enumeration herein of the rights or privileges of Holder hereof, shall give rise to any liability of Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

14. MISCELLANEOUS

14.1 Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice Holder's rights, powers or remedies. If the Company fails to make, when due, any payments provided for hereunder, or fails to comply with any other provision of this Warrant, the Company shall pay to Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, <PAGE 24> reasonable attorneys' fees, including those of appellate proceedings, incurred by Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its

rights, powers or remedies hereunder.

14.2 Notice Generally. Except as may be otherwise provided herein, any notice or other communication or delivery required or permitted hereunder shall be in writing and shall be delivered personally or sent by certified mail, postage prepaid, or by a nationally recognized overnight courier service, and shall be deemed given when so delivered personally or by overnight courier service, or, if mailed, three (3) days after the date of deposit in the United States mails, as follows:

- (1) if to the Company, to:

DYNAMICWEB ENTERPRISES, INC.
271 Route 46W, Building F, Suite 209
Fairfield, New Jersey 07004
Attention: Steven L. Vanechanos, Jr.
Telephone: (973) 276-3107
Facsimile: (973) 575-9830

With a copy to:

STEVENS & LEE
One Glenhardie Corporate Center, Suite 202
Wayne, PA 19087-0234
Attention: Steve Ritner, Esq.
Telephone: (610) 964-1480
Facsimile: (610) 687-1384

- (2) if to the Holder, to:

THE SHAAR FUND LTD., c/o SHAAR ADVISORY
SERVICES LTD. 62 King George Street,
Apartment 4F Jerusalem, Israel
Attention: Samuel Levinson

With a copy to:

HERRICK, FEINSTEIN LLP
2 Park Avenue
New York, New York 10016
Attention: Irwin A. Kishner, Esq.
Telephone: (212) 592-1435
Facsimile: (212) 889-7577

The Company or the Holder may change the foregoing address by notice given pursuant to this Section 14.2.

14.3 Indemnification. The Company agrees to indemnify and hold harmless Holder from and against any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, attorneys' fees, expenses and disbursements of any kind which may be imposed upon, incurred by or asserted against Holder in any manner relating to or arising out of any <PAGE 25> failure by the Company to perform or observe in any material respect any of its covenants, agreements, undertakings or obligations set forth in this Warrant; provided, however, that the Company will not be liable hereunder to the extent that any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, attorneys' fees, expenses or disbursements are found in a final non-appealable judgment by a court to have resulted from Holder's gross negligence, bad faith or willful misconduct in its capacity as a stockholder or warrant holder of the Company.

14.4 Remedies. Holder in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under Section 9 of this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of Section 9 of this Warrant and hereby agrees to waive the defense in any action for specific performance that a remedy at law would

be adequate.

14.5 Successors and Assigns. Subject to the provisions of Sections 3.1 and 9, this Warrant and the rights evidenced hereby shall inure to the benefit of and be binding upon the successors of the Company and the successors and assigns of Holder. The provisions of this Warrant are intended to be for the benefit of all Holders from time to time of this Warrant and, with respect to Section 9 hereof, holders of Warrant Stock, and shall be enforceable by any such Holder or holder of Warrant Stock.

14.6 Amendment. This Warrant and all other Warrants may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

14.7 Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Warrant.

14.8 Headings. The headings used in this Warrant are for the convenience of reference only reference only and shall not, for any purpose, be deemed a part of this Warrant.

14.9 Governing Law. This Warrant shall be governed by the laws of the State of New York, without regard to the provisions thereof relating to conflict of laws.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed and its corporate seal to be impressed hereon and attested by its Secretary or an Assistant Secretary.

Dated: December 2, 1998

DYNAMICWEB ENTERPRISES, INC.

By: _____
Name: Steven L. Vanechanos, Jr.
Title: Chief Executive Officer

Attest:

By: _____
Name:
Title:

[SEAL]

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EXHIBIT A

SUBSCRIPTION FORM

[To be executed only upon exercise of Warrant]

The undersigned registered owner of this Warrant irrevocably exercises this warrant for the purchase of Shares of Common Stock of Dynamicweb Enterprises, Inc. and herewith makes payment

therefor, all at the price and on the terms and conditions specified in this Warrant and requests that certificates for the shares of Common Stock hereby purchased (and any securities or other property issuable upon such exercise) be issued in the name of and delivered to whose address is and, if such shares of Common Stock shall not include all of the shares of Common Stock issuable as provided in this Warrant, that a new Warrant of like tenor and date for the balance of the shares of Common Stock issuable hereunder be delivered to the undersigned.

(Name of Registered owner)

(Signature of Registered Owner)

Street Address)

(city) (State) (Zip Code)

NOTICE: The signature on this subscription must correspond with the name as written upon the face of the within Warrant in every particular, without alteration or enlargement or any change whatsoever.

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EXHIBIT B

ASSIGNMENT FORM

FOR VALUE RECEIVED the undersigned registered owner of this Warrant hereby sells, assigns and transfers unto the Assignee named below all of the rights of the undersigned under this Warrant, with respect to the number of shares of Common Stock set forth below:

Name and Address of Assignee	No. of Shares of Common Stock
------------------------------	----------------------------------

and does hereby irrevocably constitute and appoint attorney-in-fact to register such transfer on the books of maintained for the purpose, with full power of substitution in the premises.

Dated: Print Name:

Signature:

Witness:

NOTICE: The signature on this assignment must correspond with the name as written upon the face of the within Warrant in every particular, without alteration or enlargement or any change whatsoever.

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INDEPENDENT AUDITORS' CONSENT

We consent to the reference to our firm under the caption "Experts" and to the use of our report dated July 10, 1998 with respect to the financial statements of Design Crafting, Inc. in the Registration Statement (Amendment No. 1 to Form S-2) and related prospectus of DynamicWeb Enterprises, Inc. for the registration of 1,024,730 shares of its common stock and to the incorporation by reference therein of our report dated November 11, 1997 (December 12, 1997 with respect to Note F, December 12, 1997 with respect to Note G[6] and January 9, 1998 with respect to Note G[5]) with respect to the consolidated financial statements of DynamicWeb Enterprises, Inc. and subsidiaries included in its annual report (Form 10-KSB) for the year ended September 30, 1997, filed with the Securities and Exchange Commission.

/s/ Richard A. Eisner & Company, LLP

New York, New York
December 28, 1998