SEVERANCE AGREEMENT AND GENERAL RELEASE

This Severance Agreement and General Release (the 'Agreement') confirms the

following understandings and agreements between CYBERSHOP INTERNATIONAL, INC.

('Employer'), and EDWARD MUFSON ('Employee') concerning Employee's employment

and termination thereof.

13. Employment Status:

(a) Employee's last date of employment will be January 20,

2000 (the 'Termination Date').

(b) Employee will be paid his salary through January 20, 2000

in accordance with normal payroll practices. Employee will also be paid for any

unused accrued vacation days, less applicable withholding taxes. Employee's

health coverage under the Employer's group health plan will terminate on January

31, 2000. Thereafter, Employee will be provided an opportunity to continue

health coverage for himself and qualifying dependents under the Employer's group

health plan in accordance with the Consolidated Omnibus Budget Reconciliation

Act ('COBRA').

(c) Except as otherwise set forth in this Agreement, from and

after the Termination Date, Employee shall not be entitled to receive any

further compensation or monies from Employer or to receive any benefits or

participate in any benefit plan or program of Employer, including but not

limited to, the Employer's 401(k) Plan.

14. Severance: Provided Employee complies with his obligations under

this Agreement, Employee shall be entitled to severance as follows:

(a) Severance: The Employer will pay Employee $75,000, less

applicable withholding taxes. Such payment will be made in a lump-sum in the

next payroll period following the Effective Date (as defined in paragraph 7).

Together with Employee's final paycheck, the gross amount of such payment will

be $79,615.38, and the net amount will be $59,442.64.

(b) The provisions of paragraph 2(a) will have no force and

effect if Employee revokes this Agreement as provided in paragraph 7 below.

15. (a) Full Release: In consideration of the benefits and compensation

provided in paragraph 2(a) herein, Employee, for himself, his heirs, executors,

administrator, successors, and assigns (hereinafter referred to as the

'Releasors') hereby fully releases and discharges Employer, its officers,

directors, employees, agents, insurers, underwriters, subsidiaries, parents,

affiliates, successors or assigns (all such persons, firms, corporations and

entities being

deemed beneficiaries hereof and are referred to herein as the 'Releasees') from

any and all actions, causes of action, claims, obligations, costs, losses,

liabilities, damages, attorneys' fees, and demands of whatsoever character,

whether or not known, suspected or claimed, which the Releasors have, or

hereafter may have, against the Releasees by reason of any matter, fact or cause

whatsoever from the beginning of time to the date of this Agreement, including,

without limitation, all claims arising out of or in any way related to

Employee's employment or the termination of his employment.

This Agreement of Employee shall be binding on the executors,

heirs, administrators, successors and assigns of Employee and shall inure to the

benefit of the respective executors, heirs, administrators, successors and

assigns of the Releasees.

(b) For and in consideration of the release set forth in

clause (a) above, Employer, for and on behalf of the Releasees, releases

Employee from any and all actions, causes of action, claims, obligations, costs,

losses, liabilities, damages, attorneys' fees, and demands of whatsoever

character, whether or not known, suspected or claimed, which the Employer has,

or hereafter may have, against Employee by reason of any matter, fact or cause

whatsoever from the beginning of time to the date of this Agreement, including,

without limitation, all claims arising out of or in any way related to

Employee's employment or the termination of his employment.

16. Confidentiality: Employee agrees that the terms of this Agreement

have been and shall be held strictly confidential by him and his attorneys and

accountants, and that he shall not, and shall instruct his attorneys and

accountants not to disclose any such information, orally or in writing, to

anyone else, including without limitation, any past, present or future employee

or agent of the Employer. Employee recognizes that, in the event he or his

attorneys disclose any information contrary to the confidentiality provisions of

this Agreement, any such disclosure would be a material breach of the Agreement

for which the Employer shall be entitled to recover payments made under

paragraph 2(a) of this Agreement, in addition to its other remedies in law and

equity.

17. Releasees' Express Denial of Liability: The payment by the

Releasees of the amount specified herein above shall not be deemed an admission

that any liability of the Releasees exists, and in making such payment Releasees

do not admit, and expressly deny, any liability.

18. Waiver of Rights Under Other Statutes: Employee understands that

his Agreement includes the waiver of claims and rights Employee may have under

other applicable statutes, including without limitation, Title VII of the Civil

Rights Act of 1964; the Civil Rights Act of 1991; the Employee Retirement Income

Security Act; the Equal Pay Act; the Rehabilitation Act of 1973; the Americans

with Disabilities Act; the Family and Medical Leave Act; the New Jersey Family

Leave Act; the New Jersey Law Against Discrimination; the Fair Labor Standards

Act; the New Jersey Wage and Hour Act; and/or the New Jersey Conscientious

Employee Protection Act, and any and all amendments to any of same.

19. Waiver of Rights Under the Age Discrimination in Employment Act:

Employee understands that this Agreement, and the release contained herein,

waives claims and rights Employee might have under the Age Discrimination in

Employment Act ('ADEA'). The monies and other benefits offered to Employee in

this Agreement are in addition to any sums or benefits that Employee would be

entitled without signing this Agreement. For a period of seven (7) days

following execution of this Agreement, Employee may revoke the terms of this

Agreement by a written document received by Employer on or before the end of the

seven (7) day period (the 'Effective Date'). The Agreement will not be effective

until said revocation period has expired. Employee acknowledges that he has been

given up to twenty-one (21) days to decide whether to sign this Agreement.

Employee has been advised to consult with an attorney prior to executing this

Agreement.

20. Return of Property: Prior to receiving the severance payment

described in paragraph 2(a), Employee agrees to return to the Employer all

Employer property, including without limitation, mailing lists, reports, files,

memoranda, records, computer hardware, software, credit cards, door and file

keys, computer access codes or disks and instructional manuals, and other

physical or personal property which Employee received or prepared or helped

prepare in connection with his employment with Employer, and that Employee will

not retain any copies, duplicates, reproductions or excerpts thereof. Employer

recognizes that Employee states that he has returned all Employer property in

his possession.

21. No Disparagement:

(a) Employee agrees that he shall not make, or cause to be

made, any statement or communicate any information (whether oral or written)

that disparages or reflects negatively on Employer or any of the Releasees.

Nothing herein shall preclude Employee from complying with a subpoena or other

lawful process.

(b) Employer agrees that it shall not make, or cause to be

made, any statement or communicate any information (whether oral or written)

that disparages or reflects negatively on Employee. Employer also agrees that it

shall not interfere with Employee's efforts to obtain subsequent employment. It

shall not be a violation of this paragraph 9(b) if an employee or independent

contractor of Employer disparages Employee or interferes with his efforts to

obtain subsequent employment outside the scope of his or her employment or

without the authority of Employer. Nothing herein shall preclude Employer from

complying with a subpoena or other lawful process.

22. Employment Agreement is Terminated:With the exception of paragraph

9 ('Confidentiality'), which agreement shall remain in full force and effect and

is hereby affirmed and ratified, the Employment Agreement entered into between

Employer and Employee dated March 24, 1999 is terminated as of the Termination

Date. Accordingly, Employee's agreements in paragraph 10 ('Non-Competition')

will terminate as of the Termination Date.

23. No Suit: Employee represents that he has not filed or permitted to

be filed against the Employer or any of the other Releasees, individually or

collectively, any lawsuits, and he covenants and agrees that he will not do so

at any time hereafter. Employee will not voluntarily participate in any judicial

proceeding against any of the Releasees that in any way involve the allegations

and facts that he could have raised against any of the Releasees in any forum as

of the date hereof. Employee agrees that he will not encourage or cooperate with

any

other current or former employee of Employer or any potential plaintiff to

commence any legal action or make any claim against the Employer or against the

Releasees in respect of such persons employment with the Employer or otherwise.

24. Entire Agreement: Except as otherwise set forth herein, this

Agreement sets forth the entire agreement between the parties relating to the

subject matter hereof. This Agreement may not be changed orally but changed only

in a writing signed by both parties.

25. Miscellaneous:

(a) This Agreement shall be governed in all respects by laws

of the State of New Jersey.

(b) Neither the Employer nor the Employee shall issue a press

release announcing the termination of Employee's employment without the prior

approval of the other party.

(c) Employer will not interfere in any way with Employee's

ability to sell or otherwise transfer Employee's shares of Employer's stock.

(d) In the event that any one or more of the provisions of

this Agreement is held to be invalid, illegal or unenforceable, the validity,

legality and enforceability of the remaining provisions will not in any way be

affected or impaired thereby. Moreover, if any one or more of the provisions

contained in this Agreement is held to be excessively broad as to duration,

scope, activity or subject, such provisions will be construed by limiting and

reducing them so as to be enforceable to the maximum extent compatible with the

applicable law.

(e) The paragraph headings used in this Agreement are included

solely for convenience and shall not affect or be used in connection with the

interpretation of this Agreement.

IN WITNESS THEREOF, Employer and Employee have executed this Severance

Agreement and General Release on this \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2000.

CYBERSHOP INTERNATIONAL, INC.

By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

EDWARD MUFSON

Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_