VALUEVISION MEDIA INC

FORM 8-K
(Unscheduled Material Events)

Filed 12/3/2003 For Period Ending 12/1/2003

Address	6740 SHADY OAK RD
	MINNEAPOLIS, Minnesota 55344-3433
Telephone	612-947-5200
CIK	0000870826
Industry	Retail (Catalog & Mail Order)
Sector	Services
Fiscal Year	01/31

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

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

DECEMBER 1, 2003
Date of report (Date of earliest event reported)

VALUEVISION MEDIA, INC.

(Exact Name of Registrant as Specified in its Charter)

MINNESOTA	0-20243	41-1673770
(State of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

6740 SHADY OAK ROAD EDEN PRAIRIE, MINNESOTA	55344-3433
(Address of principal executive offices)	(Zip Code)

Telephone Number: (952) 943-6000

(Registrant's Telephone Number, Including Area Code)

ITEM 5. OTHER EVENTS.

On December 1, 2003 ValueVision Media, Inc. (the "Registrant") issued a press release announcing the election of William Lansing to the Registrant's Board of Directors and his appointment, effective December 16, 2003, as President and Chief Executive Officer of the Registrant in connection with the resignation of Gene McCaffery from the Registrant's Board of Directors and as President and Chief Executive Officer of the Registrant. A copy of the press release is furnished as Exhibit 99 hereto.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibit

10.65	Employment Agreement between the Registrant and William J. Lansing dated December 1, 2003.
10.66	Option Agreement between the Registrant and William J. Lansing dated December 1, 2003.
10.67	Separation Agreement between the Registrant and Gene McCaffery dated November 25, 2003.
99	Press Release dated December 1, 2003.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: December 2, 2003

VALUEVISION MEDIA, INC.

By /s/ Nathan E. Fagre

Nathan E. Fagre
Senior Vice President,
General Counsel and Secretary

EXHIBIT INDEX

No.	Description	Manner of Filing
10.65	Employment Agreement between the Registrant and William J. Lansing dated December 1, 2003.....	Filed Electronically
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EXHIBIT 10.65

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is entered into on December 1, 2003 (the "Agreement Date") by and between ValueVision Media, Inc., a Minnesota corporation (the "Company"), and William J. Lansing, currently a resident of California ("Executive").

A. The Company is an integrated direct marketing company that markets its products directly to consumers through television home shopping programming, internet sites, catalogues, and direct mailings and email communications.

B. Executive is an experienced business manager.

C. The Company desires to hire Executive as its employee, and Executive desires to be employed by the Company, subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and the respective agreements of the Company and Executive set forth below, the Company and Executive, intending to be legally bound, agree as follows:

1. Employment. Effective as of December 1, 2003 (the "Commencement Date"), the Company shall employ Executive, and Executive shall accept such employment and perform services for the Company, upon the terms and conditions set forth in this Agreement.

2. Term of Employment. Unless terminated at an earlier date in accordance with Section 9 hereof, the term of Executive's employment with the Company shall be for the period commencing on the Commencement Date and ending on January 31, 2007. Thereafter, unless terminated at an earlier date in accordance with
Section 9 hereof, the term of Executive's employment with the Company shall be automatically extended for successive one-year periods, unless either party gives written notice to the other party at least 180 days prior to the expiration of such term that such party elects not to extend the term of Executive's employment under this Agreement.

3. Position and Duties.

(a) Employment with the Company. Commencing on December 16, 2003 and continuing for the duration of the term of Executive's employment with the Company hereunder, Executive shall be appointed as the President and Chief Executive Officer of the Company and shall have the authority, duties and responsibilities commensurate and consistent with such position and title. As President and Chief Executive Officer, Executive shall be the most senior executive officer of the Company and shall, subject to the supervision of the Board of Directors of the Company (the "Board"), have discretion and authority to manage and direct the day-to-day affairs and operations of the Company, to direct the strategic direction of the Company, and to hire and fire employees of the Company. Executive shall report to the Board and shall perform such other duties and responsibilities as the Board shall assign to him from time to time consistent with his position. All staff and other functions and all operations of the Company shall report directly or indirectly (through a subordinate of Executive who reports directly or indirectly to Executive) to Executive, unless the Board concludes in good faith that a direct reporting relationship to the Board with respect to any staff or function is required by applicable law or written policies of the Company, or is reasonably necessary to fulfill its fiduciary obligations to the Company. If the Chair of the Board is at any time serving as an employee of the Company then such person shall be Executive and no other person. Executive's employment hereunder shall be based at the Company's corporate headquarters, currently located in Eden Prairie, Minnesota.

(b) Board of Directors. While Executive is employed by the Company hereunder, the Board shall nominate Executive to the Board and upon election Executive shall serve on the Board, without compensation other than that specified in this Agreement.

(c) Performance of Duties and Responsibilities. Executive shall serve the Company faithfully and to the best of his ability and shall devote his full working time, attention and efforts to the business of the Company during his employment with the Company. Executive hereby represents and confirms that he is under no contractual or legal commitments that would prevent him from fulfilling his duties and responsibilities as set forth in this Agreement. During his employment with the Company, Executive may participate in charitable activities and personal investment activities to a reasonable extent, and he may serve as a director of business and civic organizations as approved by the Board, so long as such activities and directorships do not interfere with the performance of his duties and responsibilities hereunder.

4. Compensation.

(a) Base Salary. While Executive is employed by the Company hereunder, the Company shall pay to Executive an annual base salary of $850,000, which base salary shall be paid in accordance with the Company's normal payroll policies and procedures. During each year after the first year of Executive's employment hereunder, the Board or the Compensation Committee of the Board (the "Committee") shall conduct an annual performance review of Executive and thereafter establish Executive's base salary in an amount not less than the base salary in effect for the prior year.

(b) Annual Incentive Bonus. For each full fiscal year Executive is employed by the Company hereunder, Executive shall be eligible for an annual incentive bonus for such fiscal year, based on achievement of objectives established by the Board or the Committee. Executive's annual incentive bonus if the Company achieves target objectives shall be 120% of Executive's annual base salary for such fiscal year. Achievement of the objectives for each fiscal year shall be determined in good faith by the Board or the Committee in its sole discretion within 60 days after the end of the fiscal year; and the annual incentive bonus will be paid in a lump sum promptly following such determination. Executive shall receive a guaranteed minimum incentive bonus of $510,000 for fiscal year 2004, provided that Executive remains continuously employed by the Company throughout the fiscal year 2004.

(c) Stock Options. Simultaneously with the Agreement Date, the Company will grant to Executive options to purchase 1,400,000 shares of the common stock, par value $.01 per share, of the Company ("Common Stock"), at the fair market value on the date of grant. The full terms and conditions of such options will be as set forth in the stock option agreements entered into between the Company and Executive and approved by the Board (the "Stock Option Agreement") attached to this Agreement as Exhibit A. The terms of the Stock Option Agreement will control over this Section 4(c).

(d) Employee Benefits. While Executive is employed by the Company hereunder, Executive shall be entitled to participate in all employee benefit plans and programs of the Company, including without limitation, retirement plans and medical, life, and disability insurance plans, to the extent that Executive meets the eligibility requirements for each individual plan or program as generally applicable to other executive officers of the Company; provided, however, that except as herein otherwise provided the Company provides no assurance as to the adoption or continuance of any particular employee benefit plan or program and Executive's participation in any such plan or program shall be subject to the provisions, rules and regulations applicable thereto consistent with the provisions, rules and regulations generally applicable to other executive officers of the Company.

(e) Automobile Allowance. While Executive is employed by the Company hereunder, the Company shall pay Executive $1,500 per month as an automobile allowance to reimburse

Executive for all of the costs he incurs in using an automobile for business purposes, including without limitation the costs of insuring, maintaining and operating the automobile.

(f) Expenses. While Executive is employed by the Company hereunder, the Company shall reimburse Executive for all reasonable and necessary out-of-pocket business, travel and entertainment expenses incurred by him in the performance of his duties and responsibilities hereunder, subject to the Company's normal policies and procedures for expense verification and documentation.

(g) Relocation. The Company shall pay for the following expenses associated with his search for a residence in and his move to the Minneapolis, Minnesota metropolitan area:

(i) For the period of Executive's employment with the Company prior to the date on which Executive's family relocates from the San Francisco Bay Area to the Minneapolis metropolitan area, but in no event extending longer than eight months after the Commencement Date, the Company shall reimburse Executive for (A) the actual travel costs by Executive for weekly travel between the San Francisco Bay Area, California and Minneapolis and (B) the cost of temporary living accommodations in the Minneapolis metropolitan area, up to a maximum aggregate amount to be paid by the Company under this Section 4(g)(i) of $150,000.

(ii) The Company shall pay Executive a lump sum of $300,000 pre-tax to cover all other costs and expenses associated with the relocation of Executive's and his family's primary residence to the Minneapolis metropolitan area, including without limitation real estate brokerage and related fees, closing costs and legal expenses in connection with the sale of his current residence in the San Francisco Bay Area, the cost of moving the household goods and personal effects of Executive and his family, and travel costs for Executive's family members. Payment under this Section 4(g)(ii) shall be made by the Company promptly after Executive provides reasonable documentation to the Company that Executive has purchased a home in the Minneapolis metropolitan area to serve as his primary residence; provided, however, that at Executive's request the Company will pay such amount into escrow upon Executive's entering into a binding purchase agreement, with escrow terms mutually acceptable to Executive and the Company.

With respect to amounts paid under Section 4(g)(i) above, the Company shall pay Executive a Tax Neutralization Payment with respect to such travel and living accommodation expenses. For purposes of this Agreement a "Tax Neutralization Payment" is an amount, if any, such that after Executive pays all federal, state and local income taxes, if any, on both the underlying amount to be tax neutralized and the Tax Neutralization Payment, Executive retains an amount equal to the underlying amount to be tax-neutralized, as determined by a nationally-recognized accounting firm selected by the Company.

(h) Signing Bonus. On the first business day of January, 2004, the Company shall pay Executive a signing bonus of $200,000.

(i) Tax Planning. While Executive is employed by the Company hereunder, the Company shall reimburse Executive for reasonable fees and expenses of annual tax return preparation and planning by a nationally recognized accounting firm, subject to the Company's normal policies and procedures for verification and documentation.

(j) Vacation. While Executive is employed by the Company hereunder, Executive shall be entitled to paid vacation time off in accordance with the normal policies of the Company, but not less than four weeks vacation per year.

5. Confidential Information. Except as permitted by the Company's Board or Company policies approved by the Board, during the term of Executive's employment with the Company and at all times thereafter, Executive shall not divulge, furnish or make accessible to anyone or use in any way other than in the ordinary course of the business of the Company, any confidential, proprietary or secret knowledge or information of the Company that Executive has acquired or shall acquire during his employment with the Company, whether developed by himself or by others, concerning (i) any trade secrets, (ii) any confidential, proprietary or secret designs, processes, formulae, plans, devices or material (whether or not patented or patentable) directly or indirectly useful in any aspect of the business of the Company, (iii) any customer or supplier lists of the Company, (iv) any confidential, proprietary or secret development or research work of the Company, (v) any strategic or other business, marketing or sales plans of the Company, (vi) any financial data or plans respecting the Company, or (vii) any other confidential or proprietary information or secret aspects of the business of the Company. Executive acknowledges that the above-described knowledge and information constitutes a unique and valuable asset of the Company and represents a substantial investment of time and expense by the Company, and that any disclosure or other use of such knowledge or information other than for the sole benefit of the Company would be wrongful and would cause irreparable harm to the Company. During the term of Executive's employment with the Company, Executive shall refrain from any acts or omissions that would reduce the value of such knowledge or information to the Company. The foregoing obligations of confidentiality shall not apply to any knowledge or information that (i) is now or subsequently becomes generally publicly known in the form in which it was obtained from the Company, other than as a direct or indirect result of the breach of this Agreement by Executive, (ii) is independently made available to Executive in good faith by a third party who has not violated a confidential relationship with the Company, or (iii) is required to be disclosed by legal process.

6. Ventures. If, during the term of Executive's employment with the Company, Executive is engaged in or associated with the planning or implementing of any project, program or venture involving the Company and a third party or parties, all rights in such project, program or venture shall belong to the Company. Except as approved in writing by the Board, Executive shall not be entitled to any interest in any such project, program or venture or to any commission, finder's fee or other compensation in connection therewith, other than the compensation to be paid to Executive by the Company as provided herein. Executive shall have no interest, direct or indirect, in any customer or supplier that conducts business with the Company, unless such interest has been disclosed in writing to and approved by the Board before such customer or supplier seeks to do business with the Company.

7. Noncompetition Covenant.

(a) Agreement Not to Compete. During the term of Executive's employment with the Company and for the Restrictive Period (as defined below) following the date of the termination of such employment, whether such termination is with or without Cause (as defined below), or whether such termination is at the instance of Executive or the Company, Executive shall not, directly or indirectly, in any country that the Company or any of its affiliates operates or contemplates operating during the 12 months prior to the last day of Executive's employment, own, manage, control, have any interest in, participate in, lend his name to, act as consultant or advisor to or render services (alone or in association with any other person, firm, corporation or other business organization) for:

(i) InterActiveCorp., QVC, Inc., Shop At Home Network, LLC, any subsidiary or affiliate of InterActiveCorp., QVC, Inc., or Shop At Home Network, LLC, or any of their successors; or

(ii) any other person or entity engaged in the television home shopping business; or

(iii) any infomercial business having as a primary focus the marketing to consumers of products of a similar nature and assortment as the products being offered on the Company's television programming or websites; or

(iv) any other business in which the Company or any of its affiliates engages and the gross revenues from which constitute at least 20% the Company's or any of its affiliates' gross revenues.

Ownership by Executive, as a passive investment, of less than 1% of the outstanding shares of capital stock of any corporation listed on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this Section 7(a). Employment of Executive by a person or entity described in Sections 7(a)(ii), 7(a)(iii), or 7(a)(iv) shall not constitute a breach of this Section 7(a) if Executive is employed in a separate and distinct affiliate or business unit (whether or not separately incorporated) of such business entity, other than the affiliate or business unit conducting the activities described in this Section 7(a), and Executive has no direct or indirect management responsibilities for the activities of the business unit conducting the activities described in this Section 7(a). "Restrictive Period" shall mean: (A) in the case of Sections 7(a)(i), 7(a)(ii), and 7(a)(iii), 24 consecutive months from the date of termination of Executive's employment, and (B) in the case of Section 7(a)(iv), 12 consecutive months from the date of termination of Executive's employment.

(b) Agreement Not to Hire. During the term of Executive's employment with the Company and for a period of 24 consecutive months from the date of the termination of such employment, whether such termination is with or without Cause (as defined below), or whether such termination is at the instance of Executive or the Company, Executive shall not, directly or indirectly, hire, engage or solicit any person who is then an employee of the Company or who was an employee of the Company at the time of Executive's termination of employment, in any manner or capacity, including without limitation as a proprietor, principal, agent, partner, officer, director, stockholder, employee, member of any association, consultant or otherwise.

(c) Agreement Not to Solicit. During the term of Executive's employment with the Company and for a period of 24 consecutive months from the date of the termination of such employment, whether such termination is with or without Cause (as defined below), or whether such termination is at the instance of Executive or the Company, Executive shall not, directly or indirectly, solicit, request, advise or induce any current or potential customer, supplier or other business contact of the Company to cancel, curtail or otherwise change its relationship with the Company, in any manner or capacity, including without limitation as a proprietor, principal, agent, partner, officer, director, stockholder, employee, member of any association, consultant or otherwise. Notwithstanding the foregoing, a solicitation or request by Executive of any current or potential customer of the Company, for the sale or marketing of any products or services competitive with the products and services of the Company, will not alone constitute a violation of this Section 7(c) unless such solicitation or request is also a violation of Section 7(a).

(d) Acknowledgment. Executive hereby acknowledges that the provisions of this Section 7 are reasonable and necessary to protect the legitimate interests of the Company and that any violation of this Section 7 by Executive shall cause substantial and irreparable harm to the Company to such an extent that monetary damages alone would be an inadequate remedy therefor. Therefore, in the event that Executive violates any provision of this Section 7, the Company shall be entitled to an injunction, in addition to all the other remedies it may have, restraining Executive from violating or continuing to violate such provision.

(e) Blue Pencil Doctrine. If the duration of, the scope of or any business activity covered by any provision of this Section 7 is in excess of what is valid and enforceable under applicable law, such provision shall be construed to cover only that duration, scope or activity that is valid and enforceable. Executive hereby acknowledges that this Section 7 shall be given the construction which renders its provisions valid and enforceable to the maximum extent, not exceeding its express terms, possible under applicable law.

8. Patents, Copyrights and Related Matters.

(a) Disclosure and Assignment. Executive shall immediately disclose to the Company any and all improvements and inventions that Executive may conceive and/or reduce to practice individually or jointly or commonly with others while he is employed with the Company with respect to (i) any methods, processes or apparatus concerned with the development, use or production of any type of products, goods or services sold or used by the Company, and (ii) any type of products, goods or services sold or used by the Company. Executive also shall immediately assign, transfer and set over to the Company his entire right, title and interest in and to any and all of such inventions as are specified in this Section 8(a), and in and to any and all applications for letters patent that may be filed on such inventions, and in and to any and all letters patent that may issue, or be issued, upon such applications. In connection therewith and for no additional compensation therefor, but at no expense to Executive, Executive shall sign any and all instruments deemed necessary by the Company for:

(i) the filing and prosecution of any applications for letters patent of the United States or of any foreign country that the Company may desire to file upon such inventions as are specified in this
Section 8(a);

(ii) the filing and prosecution of any divisional, continuation, continuation-in-part or reissue applications that the Company may desire to file upon such applications for letters patent; and

(iii) the reviving, re-examining or renewing of any of such applications for letters patent.

This Section 8(a) shall not apply to any invention for which no equipment, supplies, facilities, confidential, proprietary or secret knowledge or information, or other trade secret information of the Company was used and that was developed entirely on Executive's own time, and (i) that does not relate (A) directly to the business of the Company, or (B) to the Company's actual or demonstrably anticipated research or development, or (ii) that does not result from any work performed by Executive for the Company.

(b) Copyrightable Material. All right, title and interest in all copyrightable material that Executive shall conceive or originate individually or jointly or commonly with others, and that arise during the term of his employment with the Company and out of the performance of his duties and responsibilities under this Agreement, shall be the property of the Company and are hereby assigned by Executive to the Company, along with ownership of any and all copyrights in the copyrightable material. Upon request and without further compensation therefor, but at no expense to Executive, Executive shall execute any and all papers and perform all other acts necessary to assist the Company to obtain and register copyrights on such materials in any and all countries. Where applicable, works of authorship created by Executive for the Company in performing his duties and responsibilities hereunder shall be considered "works made for hire," as defined in the U.S. Copyright Act.

(c) Know-How and Trade Secrets. All know-how and trade secret information conceived or originated by Executive that arises during the term of his employment with the Company and out of the performance of his duties and responsibilities hereunder or any related material or information shall be the property of the Company, and all rights therein are hereby assigned by Executive to the Company.

9. Termination of Employment.

(a) The Executive's employment with the Company shall terminate immediately upon:

(i) Executive's receipt of written notice from the Company of the termination of his employment, other than notice that the Company elects not to extend the term of this Agreement;

(ii) Executive's abandonment of his employment or his resignation, other than notice to the Company that he elects not to extend the term of this Agreement;

(iii) Executive's Disability (as defined below);

(iv) Executive's death; or

(v) the expiration of the term of Executive's employment with the Company, following written notice by either party as specified in Section 2 hereof.

(b) The date upon which Executive's termination of employment with the Company occurs shall be the "Termination Date."

10. Payments upon Termination of Employment.

(a) If Executive's employment with the Company is terminated:

(i) by the Company for any reason other than for Cause (as defined below),

(ii) by Executive as a result of his resignation for Good Reason (as defined below), or

(iii) the expiration of the term of Executive's employment with the Company following the delivery of written notice by the Company as specified in Section 2 hereof,

then Executive shall receive the following severance pay and benefits, subject to the requirements of Section 10(j) below:

(A) The Company shall pay to Executive as severance pay an amount equal to (1) two times Executive's annual base salary at the highest rate of base salary in effect at any time in the one-year period preceding the Termination Date, plus (2) (A) if the Termination Date occurs in connection with or after a Change in Control, two times the target annual incentive bonus determined from such annual base salary pursuant to Section 4(b), or (B) if the Termination Date does not occur in connection

with or after a Change in Control, one times the target annual incentive bonus determined from such annual base salary pursuant to Section 4 (b). Such severance pay shall be paid to Executive by the Company in a lump sum as soon as reasonably practicable following expiration of all applicable rescission periods provided by law.

(B) The Company shall continue to provide to Executive and his dependents (as applicable) for a period of 24 consecutive months after the Termination Date, health, dental and life insurance benefits to the extent that such benefits were in effect as of the Termination Date, but not less than the health, dental and life insurance benefits offered to other actively employed executive officers of the Company and their dependents. Benefit continuation under this Section 10(a) shall be concurrent with any coverage under the Company's plans pursuant to COBRA or similar laws. In the event that Executive's participation in such plans is not possible under any of the applicable plans and laws as then in effect, the Company will purchase coverage comparable to the coverage provided under the plans provided by the Company, and Executive will cooperate with the Company to obtain the most favorable rate for comparable coverage for Executive.

(C) The Company shall pay to Executive a pro rata portion of any annual incentive bonus that would have been payable to him pursuant to Section 4(b) for the fiscal year in which the Termination Date occurs, as if Executive had been in the employ of the Company for the full fiscal year based on actual Company performance for such fiscal year. The pro rata payment shall be equal to the actual annual incentive bonus as described in the previous sentence multiplied by a fraction, the numerator of which is the number of days of Executive's employment in such fiscal year and the denominator of which is 365. Such payment shall be made in the same manner and at the same time that annual incentive bonus payments are made to current executive officers of the Company, but no earlier than the expiration of all applicable rescission periods provided by law.

(D) The Company shall provide to Executive all other applicable post-termination benefits under benefit plans and programs then applicable to Executive in accordance with the terms of such plans and programs.

In addition, the Company shall be entitled to cease providing health, dental or life insurance benefits to Executive after the Termination Date if Executive becomes eligible for group health, dental or life insurance coverage (as applicable) from any other employer. For purposes of mitigation and reduction of the Company's financial obligations to Executive under this Section 10(a), Executive shall promptly and fully disclose to the Company in writing the fact that he has become eligible for comparable group health, dental or life insurance coverage from any other employer, and Executive shall be liable to repay any amounts to the Company that should have been so mitigated or reduced but for Executive's failure or unwillingness to make such disclosure.

(b) If Executive's employment with the Company is terminated by reason of:

(i) Executive's abandonment of his employment or Executive's resignation for any reason other than Good Reason (as defined below),

(ii) termination of Executive's employment by the Company for Cause (as defined below), or

(iii) the expiration of the term of Executive's employment with the Company following the delivery of written notice by Executive as specified in Section 2 hereof,

the Company shall pay to Executive or his beneficiary or his estate, as the case may be, his base salary through the Termination Date, and the Company shall provide to Executive all applicable post-termination benefits under benefit plans and programs then applicable to Executive in accordance with the terms of such plans and programs.

(c) If Executive's employment with the Company is terminated by reason of Executive's death or Disability (as defined below), subject to the requirements of Section 10(j) below, the Company shall

(i) pay to Executive a pro rata portion of the target annual incentive bonus that would have been payable to him pursuant to Section 4(b) for the fiscal year in which the Termination Date occurs. The pro rata payment shall be equal to such target annual incentive bonus multiplied by a fraction, the numerator of which is the number of days of Executive's employment in such fiscal year and the denominator of which is 365. Such payment shall be paid to Executive by the Company in a lump sum as soon as reasonably practicable following expiration of all applicable rescission periods provided by law.

(ii) In addition, the Company shall provide to Executive all other applicable post-termination benefits under benefit plans and programs then applicable to Executive in accordance with the terms of such plans and programs.

(d) "Cause" hereunder shall mean:

(i) an act or acts of dishonesty undertaken by Executive and intended to result in substantial gain or personal enrichment of Executive at the expense of the Company;

(ii) unlawful conduct or gross misconduct that is willful and deliberate on Executive's part and that, in either event, is materially injurious to the Company;

(iii) the conviction of Executive of, or his entry of a no contest or nolo contendere plea to, a felony;

(iv) willful and deliberate breach by Executive of his fiduciary obligations as an officer or director of the Company;

(v) a persistent failure by the Executive to perform the duties and responsibilities of his employment hereunder, which failure is willful and deliberate on the Executive's part and is not remedied by him within 30 days after the Executive's receipt of written notice from the Company of such failure; or

(vi) material breach of any terms and conditions of this Agreement by Executive, which breach has not been cured by Executive within ten days after written notice thereof to Executive from the Company.

For the purposes of this Section 10(d), no act or failure to act on Executive's part shall be considered "dishonest," "willful" or "deliberate" unless done or omitted to be done by Executive in bad faith and without reasonable belief that Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board of Directors of the Company shall be conclusively presumed to be done, or omitted to be done, by Executive in good faith and in the best interests of the Company.

(e) Executive's employment may not be terminated for Cause unless:

(i) no fewer than 30 days prior to the Termination Date, the Company provides Executive with written notice (the "Notice of Consideration") of its intent to consider the termination of Executive's employment for Cause, including a reasonably detailed description of the specific reasons which form the basis for such consideration;

(ii) on a date not less than fourteen days after the date Executive receives the Notice of Consideration, Executive shall have the opportunity to appear before the Board, with or without legal representation, at Executive's election, to present arguments and evidence on his own behalf; and

(iii) following the presentation to the Board, as provided in clause
(ii) above or Executive's failure to appear before the Board at a date and time specified in the Notice of Consideration (which date shall not be less than fourteen days after the date the Notice of Consideration is provided), Executive may be terminated for Cause if, but only if (A) the Board by the affirmative vote of a majority of its members (excluding Executive as a member of the Board) determines that Cause exists and that Executive's employment should accordingly be terminated for Cause. The termination for Cause shall not be based upon any reason or reasons other than one or more reasons set forth in the Notice of Consideration.

In the event of any dispute between the Company and Executive as to whether Cause existed for termination of Executive's employment, the applicable tribunal in any arbitration or litigation shall not give any deference to the determination by the Company of basis for such decision, but will itself determine de novo whether Cause existed.

(f) "Good Reason" hereunder shall mean the occurrence of any one of the following events:

(i) any material breach of any material terms and conditions of this Agreement by the Company not caused by Executive, which breach has not been cured by the Company within 30 days after receipt of written notice to the Company from Executive specifying with reasonable detail the reasons that Executive believes a material breach has occurred, including any of the following occurrences which shall be deemed to be a material breach by the Company if not so cured:

(A) failure to pay when due Executive's base salary or bonus in accordance with Sections 4(a) or 4(b);

(B) any material adverse change in Executive's position, title, or responsibilities; and

(C) any person, other than Executive, serves as Chair of the Board, while such person is an employee of the Company;

(ii) any failure to nominate or elect Executive to serve as President and Chief Executive Officer of the Company and as a member of the Board while employed hereunder.

(iii) the Company becomes a direct or indirect subsidiary of any other business entity through direct or indirect ownership of more than fifty percent (50%) of the voting power or value of the Common Stock and any other voting securities of the Company by such business entity (a "Parent"), and Executive is not President, Chief Executive Officer, a member of the Board of Directors, and most senior executive of, the Parent

(iv) the failure of the Company to assign this Agreement to a successor pursuant to Section 14(m), or failure of such successor to explicitly assume and agree to be bound by this Agreement,

(v) requiring Executive to be principally based at any office or location more than 50 miles from Eden Prairie, Minnesota (other than for normal travel in connection with Executive's performance of responsibilities hereunder); or

(vi) the occurrence of the first Change in Control (as defined below) to occur during the term of this Agreement, if Executive provides notice of his intent to terminate his employment hereunder within 180 days after such Change in Control and, if requested by the Company or its successor, Executive remains employed with the Company or its successor for a transition period not to exceed 120 days following the Change in Control.

Good Reason shall not include any occurrence in this Section 10(f) of which Executive has consented in writing stating specifically that such occurrence shall not constitute Good Reason for purposes of this Section 10(f) or of which Executive had actual knowledge for at least two calendar months.

(g) "Disability" hereunder shall mean the inability of Executive to perform on a full-time basis the duties and responsibilities of his employment with the Company by reason of his illness or other physical or mental impairment or condition, as determined by a physician mutually acceptable to Executive and the Company, if such inability continues for an uninterrupted period of 180 days or more during any 365-day period. A period of inability shall be "uninterrupted" unless and until Executive returns to full-time work for a continuous period of at least 30 days.

(h) "Change in Control" hereunder shall mean (and occur when):

(i) The acquisition by any individual, entity or group (within the meaning of Exchange Act Sections 13(d)(3) or 14(d)(2)) of beneficial ownership (within the meaning of Exchange Act Rule 13d-3) of 30% or more of either (X) the then-outstanding shares of common stock of the Company

(the "Outstanding Company Common Stock") or (Y) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of the Board (the "Outstanding Company Voting Securities"); provided, however, that the following acquisitions shall not constitute a Change in Control:

(A) any acquisition of common stock or voting securities of the Company directly from the Company or by the Company or any of its wholly owned subsidiaries, unless Executive votes against such action in his capacity as a member of the Board and terminates his employment with the Company in connection with consummation of any such acquisition (including but not limited to a termination pursuant to Section 10(f)(vi) above),

(B) any acquisition of common stock or voting securities of the Company by any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its subsidiaries, or

(C) any acquisition by any corporation with respect to which, immediately following such acquisition, more than 70% of, respectively, the then-outstanding shares of common stock of such corporation and the combined voting power of the then-outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately before such acquisition in substantially the same proportions as was their ownership, immediately before such acquisition, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be;

(ii) Individuals who, as of the Commencement Date, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director of the Board after the Commencement Date whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest

(iii) Consummation of a reorganization, merger, consolidation or statutory exchange of Outstanding Company Voting Securities, unless immediately following such reorganization, merger, consolidation or exchange, all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately before such reorganization, merger, consolidation or exchange beneficially own, directly or indirectly, more than 70% of,

respectively, the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such reorganization, merger, consolidation or exchange in substantially the same proportions as was their ownership, immediately before such reorganization, merger, consolidation or exchange, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be;

(iv) Consummation of a sale or other disposition of all or substantially all of the assets of the Company, other than to a corporation with respect to which, immediately following such sale or other disposition, more than 70% of, respectively, the then-outstanding shares of common stock of such corporation and the combined voting power of the then-outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately before such sale or other disposition in substantially the same proportion as was their ownership, immediately before such sale or other disposition, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be; or

(v) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

Notwithstanding the above, a Change in Control shall not be deemed to occur if the acquisition of the 30% or greater interest referred to in clause (i) is by a group, acting in concert, that includes Executive or if at least 30% of the then-outstanding common stock or combined voting power of the then-outstanding voting securities (or voting equity interests) of the surviving corporation or of any corporation (or other entity) acquiring all or substantially all of the assets of the Company shall be beneficially owned, directly or indirectly, immediately after a reorganization, merger, consolidation, statutory share exchange or disposition of assets referred to in paragraphs (iii) or (iv) by a group, acting in concert, that includes Executive.

(i) In the event of termination of Executive's employment, the sole obligations of the Company shall be its obligation to make the payments called for by Section 10(a), 10(b) or 10(c) hereof, as the case may be, and the Company shall have no other obligation to Executive or to his beneficiary or his estate, except as otherwise provided, by law, under the terms of this Agreement or any other applicable agreement between Executive and the Company, under the terms of any employee benefit plans or programs then maintained by the Company in which Executive participates, or to provide continued indemnification or advancement of expenses under the Company's articles or by-laws, applicable law, or any indemnification agreement with Executive.

(j) Notwithstanding the foregoing provisions of this Section 10, the Company shall not be obligated to make any payments to Executive under Section
10(a), 10(b), or 10(c) hereof unless Executive shall have signed a release of claims in favor of the Company substantially in the form attached as Exhibit B (with such modifications or additional specifics as may be warranted by changes in applicable law), all applicable consideration periods and rescission periods provided by law shall have expired and Executive is in strict compliance with the terms of this Agreement as of the dates of the payments.

11. Return of Records and Property. Upon termination of his employment with the Company, Executive shall promptly deliver to the Company any and all Company records and any and all Company property in his possession or under his control, including without limitation manuals, books, blank forms, documents, letters, memoranda, notes, notebooks, reports, printouts, computer disks, computer tapes, source codes, data, tables or calculations and all copies thereof, documents that in whole or in part contain any trade secrets or confidential, proprietary or other secret information of the Company and all copies thereof, and keys, access cards, access codes, passwords, credit cards, personal computers, telephones and other electronic equipment belonging to the Company.

12. Remedies. Executive acknowledges that it would be difficult to fully compensate the Company for monetary damages resulting from any breach by him of the provisions of Sections 5, 7 and 8 hereof. Accordingly, in the event of any actual or threatened breach of any such provisions, the Company shall, in addition to any other remedies it may have, be entitled to injunctive and other equitable relief to enforce such provisions, and such relief may be granted without the necessity of proving actual monetary damages.

13. Piggy Back Registration.

(a) Right to Piggy-Back. If at any time or from time to time, the Company proposes to file a registration statement on Form S-2 or S-3 or any similar short-form registration available to the Company under the Securities Act of 1933 ("Securities Act") that covers any of the Registrable Securities (as defined below) the Company shall give to Executive written notice of such proposed filing at least thirty calendar days before the anticipated filing. The notice referred to in the preceding sentence will offer Executive the opportunity to register such amount of the Common Stock issued or to be issued upon exercise of the option granted pursuant to Section 4(c) and other securities of the same class held or beneficially owned by Executive ("Registrable Securities") as Executive may request. Subject to Section 13(b), the Company will use all reasonable efforts to include in each such registration all Registrable Securities with respect to which the Company has received a written request for inclusion therein. Notwithstanding the foregoing, the Company will not be obligated to effect any registration of Registrable Securities under this Section 13 as a result of the registration of any of its securities solely in connection with mergers, acquisitions, exchange offers, dividend reinvestment and share purchase plans offered solely to current holders of the Common Stock, rights offerings or option or other employee benefit plans. The Executive shall agree to execute the underwriting agreement, if any, in customary form to be used in connection with such public offering (it being understood that Executive shall not be required to join in, or indemnify the underwriters in connection with the Company's representations and warranties to the underwriters).

(b) Priority. The Company will cause the managing underwriter or underwriters of a proposed distribution, registered pursuant to the Securities Act, in which securities of the Company are sold to the public through one or more underwriters (an "Underwritten Offering") to permit Executive to include therein all Registrable Securities requested to be so included on the same terms and conditions as any securities of the Company included therein (other than the indemnification by the Executive, which will be limited as set forth in Section 13(f)(ii) hereof). Notwithstanding the foregoing, if the managing underwriter or underwriters of such Underwritten Offering advises Executive to the effect that the total amount of securities that Executive and the Company propose to include in such Underwritten Offering is such as to materially and adversely affect the success of such offering (such permitted number of Registrable Securities, if any, are referred to as the "Permitted Number of Registrable Securities"), then the Company will include in such registration (i) first, 100% of the Common Stock that any party entitled to include shares of Common Stock in such registration under that certain Amended and Restated Registration Rights Agreement dated as of November 16, 2000 by and between the Company, GE Capital Equity Investments, Inc., National Broadcasting Company, Inc. and certain other parties proposes to sell, (ii) second, 100% of the Common Stock that the Company proposes to sell, and (iii) third, to the extent of

the number of Registrable Securities requested to be included in such registration which, with the advice of such managing underwriter, can be sold without having the adverse effect referred to above, the number of Registrable Securities which the Executive has requested to be included in such registration, such amount to be allocated pro rata among all requesting holders of securities of the Company eligible to be included in such registration statement on the basis of the relative number of Registrable Securities then held by each such holder.

(c) Fees and Expenses. The Company will pay all of the legal, accounting, printing, filing and other fees and expenses relating to such registration statement, including the fees and expenses of special legal counsel retained by Executive in connection with the registration of the Registrable Securities hereunder; provided, that any fees and expenses of such special legal counsel in excess of $10,000 for any offering will not be paid by the Company. In no event, however, will the Company be responsible for any underwriting discount or selling commission with respect to any sale of Registrable Securities pursuant to this Agreement, and the Executive will be responsible for any taxes of any kind (including, without limitation, transfer taxes) with respect to any disposition, sale or transfer of Registrable Securities.

(d) Furnishing Information. The Company may require Executive to furnish to the Company (for use only in connection with such registration) such information regarding the distribution of such Registrable Securities as the Company may, from time to time, reasonably request in writing, and the Company may exclude from such registration the Registrable Securities if Executive fails to furnish such information within a reasonable time after receiving such request.

(e) Suspensions of Sales. Executive agrees that upon receipt of any notice from the Company ("Suspension Notice") of the occurrence (i) of any request by the U.S. Securities and Exchange Commission ("SEC") or any other federal or state governmental authority for amendments or supplements to a registration statement or related prospectus or for additional information, (ii) of the issuance by the SEC or any other federal or state governmental authority of any stop order suspending the effectiveness of a registration statement or the initiation of any proceedings for that purpose, (iii) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the registrable securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose, (iv) of the occurrence of any event that makes any statement made in such registration statement or related prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires the making of any changes in a registration statement, prospectus or any such document so that, in the case of the registration statement, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading and, in the case of the prospectus, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and
(v) of the Company's reasonable determination that a post-effective amendment to a registration statement would be appropriate, Executive will forthwith discontinue disposition of such Registrable Securities covered by such Registration Statement or a prospectus (a "Black Out") until Executive is advised in writing by the Company that the use of the applicable prospectus may be resumed and Executive has received copies of any additional or supplemental filings that are incorporated or deemed to be incorporated by reference in such prospectus. There will be no limitation on the number of Suspension Notices that the Company is entitled to give hereunder; provided, that in no event will the aggregate number of days that the Executive is subject to Black-Out during any period of 12 consecutive months exceed 180 days.

(f) Indemnification.

(i) Indemnification by the Company. The Company will, without limitation as to time, indemnify and hold harmless Executive, to the fullest extent

permitted by law, from and against all losses, claims, damages, liabilities, costs (including without limitation the costs of investigation and attorneys' fees) and expenses (collectively, "Losses"), as incurred, arising out of or based upon any untrue or alleged untrue statement of a material fact contained in any registration statement, prospectus or form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or based upon any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar and to the extent as the same are based upon information furnished in writing to the Company by Executive (in his capacity as shareholder) for use therein; provided, however, that the Company will not be liable to Executive to the extent that any such Losses arise out of or are based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any registration statement, prospectus or preliminary prospectus if either (A) (i) Executive failed to send or deliver a copy of the prospectus with or prior to the delivery of written confirmation of the sale by Executive to the person asserting the claim from which such Losses arise and (ii) the prospectus would have corrected such untrue statement or alleged untrue statement or such omission or alleged omission; or (B) such untrue statement or alleged untrue statement, omission or alleged omission is corrected in an amendment or supplement to the prospectus previously furnished by or on behalf of the Company with copies of the prospectus, and Executive thereafter fails to deliver such prospectus as so amended or supplemented prior to or concurrently with the sale of a Registrable Security to the person asserting the claim from which such Losses arise

(ii) Indemnification by Executive. In connection with any registration statement in which Executive is participating, Executive will furnish to the Company such information as the Company reasonably requests for use in connection with any registration statement, prospectus or preliminary prospectus and will indemnify, to the fullest extent permitted by law, the Company, its directors and officers (other than Executive), agents and employees, each person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act of 1934, as amended), and the directors, officers, agents or employees of such controlling persons, from and against all Losses arising out of or based upon any untrue statement of a material fact contained in any registration statement, prospectus or preliminary prospectus or arising out of or based upon any omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, to the extent, but only to the extent, that such untrue statement or omission is contained in any information so furnished by Executive (in his capacity as shareholder) to the Company for use in such registration statement, prospectus or preliminary prospectus and was relied upon by the Company in the preparation of such registration statement, prospectus or preliminary prospectus. In no event will the liability of Executive hereunder be greater in amount than the dollar amount of the proceeds (net of payment of all expenses) received by Executive upon the sale of the Registrable Securities giving rise to such indemnification obligation.

(iii) Conduct of Indemnification Proceedings. If any person shall become entitled to indemnity hereunder (an "indemnified party"), such indemnified party shall give prompt notice to the party from which such indemnity is sought (the "indemnifying party") of any claim or of the commencement of any action or proceeding with respect to which such indemnified party seeks indemnification or contribution pursuant hereto; provided, however, that the failure to so notify the indemnifying party will not relieve the indemnifying party from any obligation or liability except to the extent that the indemnifying party has been prejudiced materially by such failure. All reasonable fees and expenses (including any reasonable fees and expenses incurred in connection with investigating or preparing to defend such action or proceeding) will be paid to the indemnified party (provided appropriate documentation for such expenses is also submitted with such notice), as incurred, within five calendar days of written notice thereof to the indemnifying party (regardless of whether it is ultimately determined that an indemnified party is not entitled to indemnification hereunder). The indemnifying party will not consent to entry of any judgment or enter into any settlement or otherwise seek to terminate any action or proceeding in which any indemnified party is or could be a party and as to which indemnification could be sought by such indemnified party under this Section 13, unless such judgment, settlement or other termination includes as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release, in form and substance reasonably satisfactory to the indemnified party, from all liability in respect of such claim or litigation for which such indemnified party would be entitled to indemnification hereunder.

14. Miscellaneous.

(a) Tax Matters. Executive acknowledges that the Company shall deduct from any compensation payable to Executive or payable on his behalf under this Agreement all applicable federal, state, and local income and employment taxes and other taxes and withholdings required by law. If any payment, provision of any benefit or other amount to Executive pursuant to this Agreement or any other payment, provision of any benefit or other amount from the Company or any affiliate of the Company, is or would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code or any successor provision, the Company shall pay a Excise Neutralization Payment (defined below) to Executive with respect to such excise tax. For purposes of this Agreement, an "Excise Neutralization Payment" shall mean an additional payment in an amount such that, after payment by Executive of all income, excise or other taxes (and any interest or penalties imposed with respect thereto) on such additional amount, the Executive retains an amount from such additional amount equal to the excise tax to be neutralized under this Section 14(a).

(b) Public Announcement. The Company shall give Executive a reasonable opportunity to review and comment on any public announcement relating to this Agreement or the Company's hiring of Executive as its President and Chief Executive Officer.

(c) Company Approvals. The Company represents and warrants to Executive that it (and to the extent required, the Board, and the Committee) has taken all corporate action necessary to authorize this Agreement including without limitation the Stock Option Agreements.

(d) No Mitigation. In no event shall Executive be obligated to seek other employment or take any other action to mitigate the amounts payable to Executive under any of the

provisions of this Agreement, nor shall the amount of any payment hereunder be reduced by any compensation earned as a result of Executive's employment by another employer, except that any continued welfare benefits may be reduced as provided for by Section 10(a).

(e) Liability Insurance and Indemnification. The Company shall maintain directors' and officers' liability insurance for Executive while employed and thereafter at a level equivalent to the level provided for current officers or directors of the Company. The Company shall indemnify Executive for any job-related liability to the fullest extent permitted by applicable law, Company by-laws, and any other applicable indemnification agreements.

(f) Enforcement. If the Company fails to pay any amount provided under this Agreement when due, the Company shall pay interest on such amount at a rate equal to the rate of interest charged from time to time by the Company's principal revolving credit lender, or if there is no principal revolving credit lender, the prime commercial lending rate announced by Wells Fargo Bank as in effect form time to time; but in no event more than the highest legally permissible interest rate permitted for this Agreement by applicable law. In the event of any proceeding, arbitration or litigation for breach of this Agreement, the prevailing party shall be entitled to recover his or its reasonable costs and attorney's fees.

(g) Beneficiary. If Executive dies before receiving all of the amounts payable to him in accordance with the terms and conditions of this Agreement, such amounts shall be paid to the beneficiary ("Beneficiary") designated by Executive in writing to the Company during his lifetime, or if no such Beneficiary is designated, to Executive's estate. Executive may change his designation of Beneficiary or Beneficiaries at any time or from time to time without the consent of any prior Beneficiary, by submitting to the Company in writing a new designation of Beneficiary.

(h) Governing Law. All matters relating to the interpretation, construction, application, validity and enforcement of this Agreement shall be governed by the laws of the State of Minnesota without giving effect to any choice or conflict of law provision or rule, whether of the State of Minnesota or any other jurisdiction, that would cause the application of laws of any jurisdiction other than the State of Minnesota.

(i) Jurisdiction; Venue. Executive and the Company consent to jurisdiction of the courts of the State of Minnesota and/or the federal district courts, District of Minnesota, for the purpose of resolving all issues of law, equity, or fact, arising out of or in connection with this Agreement. Any action involving claims of a breach of this Agreement shall be brought in such courts. Each party consents to personal jurisdiction over such party in the state and/or federal courts of Minnesota and to venue for the purpose of all such suits in Hennepin County, State of Minnesota, and hereby waives any defense of lack of personal jurisdiction or forum non conveniens.

(j) Entire Agreement. Except for the Stock Option Agreement referred to in
Section 4(c) hereof, this Agreement contains the entire agreement of the parties relating to the subject matter of this Agreement and supersedes all prior agreements and understandings with respect to such subject matter, and the parties hereto have made no agreements, representations or warranties relating to the subject matter of this Agreement that are not set forth herein.

(k) Amendments. No amendment or modification of this Agreement shall be deemed effective unless made in writing and signed by the parties hereto.

(l) No Waiver. No term or condition of this Agreement shall be deemed to have been waived, except by a statement in writing signed by the party against whom enforcement of the waiver is sought. Any written waiver shall not be deemed a continuing waiver unless specifically stated, shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future or as to any act other than that specifically waived.

(m) Assignment. This Agreement shall not be assignable, in whole or in party, by either party without the written consent of the other party, except that the Company may, without the written consent of Executive, assign its rights and obligations under this Agreement to any corporation or other business entity (i) with which the Company may merge or consolidate, (ii) to which the Company may sell or transfer all or substantially all of its assets or capital stock, or (iii) of which 50% or more of the capital stock or the voting control is owned, directly or indirectly, by the Company. No such assignment without the written consent of Executive shall discharge the Company from liability hereunder, and such assignee jointly and severally with the Company shall thereafter be deemed to be the "Company" for purposes of all terms and conditions of this Agreement, including this Section 14.

(n) Separate Representation. Executive hereby acknowledges that he has sought and received independent advice from counsel of Executive's own selection in connection with this Agreement and has not relied to any extent on any director, officer, or stockholder of, or counsel to, the Company in deciding to enter into this Agreement. The Company shall promptly reimburse Executive for reasonable attorneys' fees and costs incurred by Executive in obtaining legal advice in connection with the negotiation and execution of this Agreement and the stock option agreement contemplated by Section 4(c) hereof, upon receipt by the Company of appropriate documentation of such fees and costs.

(o) Notices. Any notice hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand, sent by reliable next-day courier, or sent by registered or certified mail, return receipt requested, postage prepaid, to the party to receive such notice addressed as follows:

If to the Company:

ValueVision Media, Inc.
6740 Shady Oak Road
Eden Prairie, MN 55344-3433

Attention: General Counsel

and to:

ValueVision Media, Inc. 6740 Shady Oak Road
Eden Prairie, MN 55344-3433 Attention: Board of Directors

If to Executive:

William J. Lansing

[at the most recent home address on file with the Company]

with a copy to: Roger C. Siske
Sonnenschein Nath & Rosenthal
8000 Sears Tower
233 South Wacker Drive
Chicago, IL 60606

or addressed to such other address as may have been furnished to the sender by notice hereunder. All notices shall be deemed given on the date on which delivered if delivered by hand or on the date sent if sent by overnight courier or certified mail, except that notice of change of address will be effective only upon receipt by the other party.

(p) Counterparts. This Agreement may be executed in any number of counterparts, and such counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

(q) Severability. Subject to Section 7(e) hereof, to the extent that any portion of any provision of this Agreement shall be invalid or unenforceable, it shall be considered deleted herefrom and the remainder of such provision and of this Agreement shall be unaffected and shall continue in full force and effect.

(r) Captions and Headings. The captions and paragraph headings used in this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement or any of the provisions hereof.

IN WITNESS WHEREOF, Executive and the Company have executed this Agreement as of the date set forth in the first paragraph.

VALUEVISION MEDIA, INC.

By /s/ Nathan E. Fagre
Its Senior Vice President, General Counsel and Secretary

/s/ William J. Lansing
WILLIAM J. LANSING

EXHIBIT 10.66

VALUEVISION MEDIA, INC.
STOCK OPTION AGREEMENT

Name of Optionee: William J. Lansing			
No. of Shares Covered:	1,400,000	Date of Grant:	December 1, 2003
Exercise Price Per Share:	$15.46	Expiration Date:	November 30, 2013

Exercise Schedule (Cumulative):

(a) 300,000 shares on each of the first three anniversaries of the Date of Grant listed above (the "EFFECTIVE DATE");

(b) 250,000 shares on the date the Company's Common Stock has had a daily closing price as reported on NASDAQ for 20 consecutive trading days of at least $24.00 per share or, if not already vested, with respect to 125,000 shares on the fifth anniversary of the date of grant and with respect to the second 125,000 shares on the sixth anniversary of the date of grant; and

(c) 250,000 shares on the date the Company's Common Stock has had a daily closing price as reported on NASDAQ for 20 consecutive trading days of at least $30.00 per share or, if not already vested, with respect to 125,000 shares on the fifth anniversary of the date of grant and with respect to the second 125,000 shares on the sixth anniversary of the date of grant.

This is a Stock Option Agreement (the "AGREEMENT") between ValueVision Media, Inc., a Minnesota corporation (the "COMPANY"), and the optionee identified above (the "OPTIONEE").

BACKGROUND

A. On the date hereof, Optionee has entered into an employment agreement with the Company (as may be amended from time to time, the "EMPLOYMENT AGREEMENT").

B. As an inducement to Optionee to enter into the Employment Agreement, the Board of Directors of the Company (the "BOARD"), upon recommendation by the Compensation Committee of the Board (the "COMMITTEE"), has determined to grant Optionee a non-statutory stock option (the "OPTION") upon the terms and subject to the conditions set forth in this Agreement.

C. The Company hereby grants the Option to the Optionee under the following terms and conditions.

TERMS AND CONDITIONS

1. GRANT. The Optionee is granted on the date of grant specified above the Option to purchase the number of shares of the Company's Common Stock ("SHARES") specified at the beginning of this Agreement.

2. EXERCISE PRICE. The price to the Optionee of each Share subject to the Option will be the exercise price specified at the beginning of this Agreement.

3. NON-STATUTORY STOCK OPTION. The Option is not intended to be an "incentive stock option" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "CODE").

4. EXERCISE SCHEDULE. The Option will vest and become exercisable as to the number of Shares and on the dates specified in the exercise schedule at the beginning of this Agreement. The exercise schedule will be cumulative; thus, to the extent the Option has not already been exercised and has not expired, terminated or been cancelled, the Optionee or the person otherwise entitled to exercise the Option as provided herein may at any time, and from time to time, purchase all or any portion of the Shares then purchasable under the exercise schedule. The Option may also be exercised in full (notwithstanding the exercise schedule) under the circumstances described in Section 8 of this Agreement if it has not expired prior thereto.

5. EXPIRATION.

(a) The Option will expire at 5:00 p.m. Central Time on the earliest of:

(1) the expiration date specified at the beginning of this Agreement;

(2) the expiration of the period after the termination of employment of the Optionee within which the Option can be exercised (as specified in Section 7 of this Agreement);

(3) at the election of the Company, upon the date of termination of the Optionee's employment for "CAUSE" (as defined in the Employment Agreement) or if it is determined by the Company within ten days after termination of the Optionee's employment by the Optionee, such as Optionee's resignation, that Cause existed for termination by the Company; or

(4) the date (if any) fixed for cancellation under Section 8.

(b) In no event may anyone exercise the Option, in whole or in part, after it has expired, notwithstanding any other provision of this Agreement.

(c) If the Option is exercised, and prior to the delivery of the certificate representing the Shares so purchased, the Board determines that Cause for termination existed, then the Company may rescind the Option exercise by the Optionee and the Option will terminate at the election of the Company.

6. PROCEDURE TO EXERCISE OPTION.

(a) Notice of Exercise. The Option may be exercised by delivering written notice of exercise to the Company at the principal executive office of the Company, to the attention of the Company's Secretary, in the form attached to this Agreement. The notice will state the number of Shares to be purchased, and will be signed by the

person exercising the Option. If the person exercising the Option is not the Optionee, that person also must submit appropriate proof of the right to exercise the Option.

(b) Tender of Payment. Upon giving notice of any exercise hereunder, the Optionee will provide for payment of the purchase price of the Shares being purchased through one or a combination of the following methods:

(1) cash (including check, bank draft or money order);

(2) cancellation of indebtedness owed to the Optionee by the Company or any parent or subsidiary thereof;

(3) to the extent permitted by law, through a broker-assisted cashless exercise in which the Optionee simultaneously exercises the Option and sells all or a portion of the Shares thereby acquired pursuant to a brokerage or similar relationship and uses the proceeds from such sale to pay the purchase price of such Shares;

(4) by delivery to the Company of unencumbered Shares having an aggregate Fair Market Value (as hereinafter defined) on the date of exercise equal to the purchase price of such Shares; or

(5) by authorizing the Company to retain, from the total number of Shares as to which the Option is exercised, that number of Shares having a Fair Market Value on the date of exercise equal to the purchase price for the total number of Shares as to which the Option is exercised.

Notwithstanding the foregoing, the Optionee will not be permitted to pay any portion of the purchase price with Shares, or by authorizing the Company to retain Shares upon exercise of the Option, if the Committee (or the Board), in its sole discretion, determines that payment in such manner is undesirable

(c) Delivery of Certificates. As soon as practicable after the Company receives the notice and purchase price provided for above, it will deliver to the person exercising the Option, in the name of such person, a certificate or certificates representing the Shares being purchased. The Company will pay any original issue or transfer taxes with respect to the issue or transfer of the Shares and all fees and expenses incurred by it in connection therewith. All Shares so issued will be fully paid and nonassessable. Notwithstanding anything to the contrary in this Agreement, no certificate for Shares distributable under the this Agreement will be issued and delivered unless the issuance of such certificate complies with all applicable legal requirements including, without limitation, compliance with the provisions of applicable state securities laws, the Securities Act of 1933, as amended (the "SECURITIES ACT"), and the Securities Exchange Act of 1934, as amended (the "EXCHANGE ACT").

(d) For purposes of this Agreement, "FAIR MARKET VALUE" as of any date means:

(1) the closing price of a Share on the date immediately preceding that date or, if no sale of Shares will have occurred on that date, on the next preceding day on which a sale of Shares occurred

(A) on the principal United States Securities Exchange registered under the Exchange Act on which the Shares are listed, or

(B) if the Shares are not listed on any such exchange, on the National Association of Securities Dealers, Inc. Automated Quotation National Market System, or

(2) if clause (1) is inapplicable, the mean between the closing "BID" and the closing "ASKED" quotation of a Share on the date immediately preceding that date, or, if no closing bid or asked quotation is made on that date, on the next preceding day on which a closing bid and asked quotation is made, on the National Association of Securities Dealers, Inc. Automated Quotations System or any system then in use, or

(3) if clauses (1) and (2) are inapplicable, what the Committee (or the Board) determines in good faith to be 100% of the fair market value of a Share on that date, using such criteria as it shall determine, in its sole discretion, to be appropriate for valuation.

(4) If the applicable securities exchange or system has closed for the day at the time the event occurs that triggers a determination of Fair Market Value, all references in this paragraph to the "date immediately preceding that date" will be deemed to be references to "that date."

7. EMPLOYMENT REQUIREMENT. The Option may be exercised only while the Optionee remains employed with the Company or a parent or subsidiary thereof, and only if the Optionee has been continuously so employed since the date the Option was granted; provided, that:

(a) The Option may be exercised for two years after termination of the Optionee's employment if such cessation of employment is for a reason other than death or Disability (as defined in the Employment Agreement), but only to the extent that it was exercisable immediately prior to termination of employment or became vested upon termination of employment pursuant to the accelerated vesting provisions of Sections 8(b), 8(c) or 8(d) hereof; provided, that if termination of the Optionee's employment will have been for Cause, the Option will expire, and all rights to purchase Shares hereunder will terminate, immediately upon such termination of employment.

(b) The Option may be exercised for two years after termination of the Optionee's employment if such termination of employment is because of death or Disability (as defined in the Employment Agreement) of the Optionee.

(c) If the Optionee's employment terminates after a declaration made under
Section 8 in connection with an Event, the Option may be exercised at any time permitted by such declaration.

(d) Notwithstanding the above, the Option may not be exercised after it has expired.

8. ACCELERATION OF VESTING.

(a) Death or Disability. In the event of the death or Disability of the Optionee, any portion of the Option that was not previously exercisable will become immediately exercisable in full if the Optionee will have been continuously employed by the Company or a parent or subsidiary thereof between the date the Option was granted and the date of such death or Disability.

(b) Event. The Option may, at the discretion of the Optionee, be exercised in full (notwithstanding the exercise schedule) if an Event (as hereinafter defined) has occurred. For purposes of this Agreement, "EVENT" means any of the following:

(1) The acquisition by any individual, entity or group (within the meaning of Exchange Act Sections 13(d)(3) or 14(d)(2)) of beneficial ownership (within the meaning of Exchange Act Rule 13d-3) of 30% or more of either (i) the then-outstanding shares of common stock of the Company (the "OUTSTANDING COMPANY COMMON STOCK") or (ii) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of the Board (the "OUTSTANDING COMPANY VOTING SECURITIES"); provided, however, that the following acquisitions will not constitute an Event:

(A) any acquisition of common stock or voting securities of the Company directly from the Company or by the Company or any of its wholly owned subsidiaries, unless Executive votes against such action in his capacity as a member of the Board and terminates his employment with the Company in connection with consummation of any such acquisition (including, but not limited to a termination pursuant to Section 10(f)(vi) of the Employment Agreement),

(B) any acquisition of common stock or voting securities of the Company by any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its subsidiaries, or

(C) any acquisition by any corporation with respect to which, immediately following such acquisition, more than 70% of, respectively, the then-outstanding shares of common stock of such corporation and the combined voting power of the then-outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately before such acquisition in substantially the same proportions as was their ownership, immediately before such acquisition, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be;

(2) Individuals who, as of the Effective Date, constitute the Board, and the Optionee (collectively, the "INCUMBENT BOARD"), cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a member of the Board after the Effective Date whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board will be considered a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest;

(3) Approval by the shareholders of the Company of a reorganization, merger, consolidation or statutory exchange of Outstanding Company Voting Securities, unless immediately following such reorganization, merger, consolidation or exchange, all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately before such reorganization, merger, consolidation or exchange beneficially own, directly or indirectly, more than 70% of, respectively, the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such reorganization, merger, consolidation or exchange in substantially the same proportions as was their ownership, immediately before such reorganization, merger, consolidation or exchange, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be; or

(4) Approval by the shareholders of the Company of (i) a complete liquidation or dissolution of the Company or (ii) the sale or other disposition of all or substantially all of the assets of the Company, other than to a corporation with respect to which, immediately following such sale or other disposition, more than 70% of, respectively, the then-outstanding shares of common stock of such corporation and the combined voting power of the then-outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately before such sale or other disposition in substantially the same proportion as was their ownership, immediately before such sale or other disposition, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be.

(5) Notwithstanding the above, an Event will not be deemed to occur if the acquisition of the 30% or greater interest referred to above is by a group, acting in concert, that includes the Optionee or if at least 30% of the then-outstanding common stock or combined voting power of the

then-outstanding voting securities (or voting equity interests) of the surviving corporation or of any corporation (or other entity) acquiring all or substantially all of the assets of the Company will be beneficially owned, directly or indirectly, immediately after a reorganization, merger, consolidation, statutory share exchange or disposition of assets referred to in subparagraphs (3) or (4) by a group, acting in concert, that includes the Optionee.

(c) Fundamental Change.

(1) At least 30 days prior to a Fundamental Change (as hereinafter defined), the Committee (or the Board) may, but will not be obligated, to declare, and provide written notice to the Optionee of the declaration, that the Option will be canceled at the time of, or immediately prior to the occurrence of, the Fundamental Change (unless it is exercised prior to the Fundamental Change) in exchange for payment to the Optionee, within ten days after the Fundamental Change, of cash equal to the amount, for each Share covered by the canceled Option, by which the event proceeds per share (as defined below) exceeds the exercise price per Share covered by the Option. The Option may be exercised in full (notwithstanding the exercise schedule) at any time after such declaration and prior to the time of cancellation of the Option. The Option, to the extent it has not been exercised prior to the Fundamental Change, will be canceled at the time of, or immediately prior to, the Fundamental Change, as provided in the declaration, and this Agreement will terminate at the time of such cancellation, subject to the payment obligations of the Company provided in this paragraph.

(2) In the case of a Fundamental Change that consists of the merger or consolidation of the Company with or into any other corporation or statutory share exchange, the Committee (or the Board), in lieu of the declaration above, may make appropriate provision for the protection of this Option by the substitution, in lieu of the Option, of an option to purchase appropriate voting common stock or appropriate voting common stock of the corporation surviving any such merger or consolidation or, if appropriate, the parent corporation of the Company or such surviving corporation.

(3) For purposes of this Agreement, "FUNDAMENTAL CHANGE" means the dissolution or liquidation of the Company, a sale of substantially all of the assets of the Company, a merger or consolidation of the Company with or into any other corporation, regardless of whether the Company is the surviving corporation, or a statutory share exchange involving capital stock of the Company. For purposes of the preceding paragraphs, the "EVENT PROCEEDS PER SHARE" is the cash plus the value (as determined by the Committee or the Board) of the non-cash consideration to be received per Share by the shareholders of the Company upon the occurrence of the Fundamental Change.

(d) Termination Without Cause. In the event the Optionee's employment with the Company is terminated (i) by the Company for any reason other than for Cause or (ii) by the Optionee as a result of his resignation for "GOOD REASON" (as defined in the Employment Agreement), any portion of the Option that was not previously exercisable will become immediately exercisable in full.

(e) Discretionary Acceleration. Notwithstanding any other provisions of this Agreement to the contrary, the Committee (or the Board) may, in its sole discretion, declare at any time that the Option will be immediately exercisable.

9. LIMITATION ON TRANSFER. During the lifetime of the Optionee, only the Optionee or the Optionee's guardian or legal representative may exercise the Option. The Option may not be assigned or transferred by the Optionee otherwise than by will or the laws of descent and distribution or pursuant to a qualified domestic relations order as defined by the Code or Title I of the Employee Retirement Income Security Act, or the rules thereunder; provided, however, that the Optionee may transfer the Option to a member or members of the Optionee's immediate family (i.e., the Optionee's children, grandchildren and spouse) or to one or more trusts for the benefit of such family members or partnerships in which such family members are the only partners, if the Optionee does not receive any consideration for the transfer. The Option held by any such transferee will continue to be subject to the same terms and conditions that were applicable to the Option immediately prior to its transfer and may be exercised by such transferee as and to the extent that the Option has become exercisable and has not terminated in accordance with the provisions of this Agreement. This Agreement is transferable upon the Optionee's death to the estate or to the person who acquires the right to succeed to this Agreement by bequest or inheritance.

10. NO STOCKHOLDER RIGHTS BEFORE EXERCISE. No person will have any of the rights of a stockholder of the Company with respect to any Share subject to the Option until the Share actually is issued to such person upon exercise of the Option.

11. DISCRETIONARY ADJUSTMENT. In the event of any reorganization, merger, consolidation, recapitalization, liquidation, reclassification, stock dividend, stock split, combination of shares, rights offering, or extraordinary dividend or divestiture (including a spin-off), or any other change in the corporate structure or Shares of the Company, the Committee or the Board (or if the Company does not survive any such transaction, a comparable committee of the Board of Directors or the Board of Directors of the surviving corporation) shall, in its sole discretion without the consent of the Optionee, make such adjustment (or substitution) as it determines in its discretion to be appropriate as to the number and kind of securities issuable upon exercise of the Option and the exercise price hereof, in order to prevent dilution or enlargement of rights of the Optionee; provided that such adjustment is not less favorable to Optionee than adjustments made for other holders of stock options of the Company.

12. TAX WITHHOLDING.

(a) General Rule. If the Company or any of its affiliates are required to withhold federal, state or local income taxes, or social security or other taxes, upon the exercise of the Option, the person exercising the Option will, upon exercise and demand by the Company or such affiliate, promptly pay in cash such amount as is

necessary to satisfy such requirement prior to receipt of such Shares; provided, that in lieu of all or any part of such cash payment, the Committee (or the Board) may (but will not be required to) allow the person exercising the Option to cover all or any part of the required withholdings, and to cover any additional withholdings up to the amount needed to cover the full federal, state and local income tax obligation of such person with respect to income arising from the exercise of the Option, through a reduction of the number of Shares delivered or through a subsequent return to the Company of Shares delivered, in each case valued in the same manner as used in computing the withholding taxes under applicable laws.

(b) Committee (or Board) Approval; Revocation. The Committee or the Board may approve an election under this section to reduce the number of Shares delivered in advance, but the approval is subject to revocation by the Committee or the Board at any time. Once the person exercising the Option makes such an election, he or she may not revoke it.

(c) Exception. Notwithstanding the foregoing, if the Optionee tenders previously owned Shares to the Company in payment of the purchase price of Shares in connection with an option exercise the Optionee may also tender previously owned Shares to the Company in satisfaction of any tax withholding obligations in connection with such option exercise. If the Company or an affiliate of the Company is required to withhold federal, state or local income taxes, or social security or other taxes, upon the exercise of the Option, the person exercising the Option will, upon exercise and demand by the Company or such affiliate, promptly pay in cash such amount as is necessary to satisfy such requirement.

13. FORFEITURES.

(a) Termination Right. The Company, by action of the Committee or the Board, will have the right and option (the "TERMINATION RIGHT") to terminate the Option prior to exercise, if the Committee (or the Board) determines that the Optionee (i) has breached any of the provisions contained in Section 7 (Noncompetition Covenant) of the Employment Agreement (or any successor provision), (ii) has made an unauthorized disclosure of material non-public or confidential information of the Company or any of its affiliates during the term of the Employment Agreement or the period of 24 months after the date of this Agreement, (iii) has committed a material violation of any applicable written policies of the Company or any of its affiliates during the term of the Employment Agreement, or
(iv) has engaged in conduct reflecting dishonesty or disloyalty to the Company or any of its affiliates during the term of the Employment Agreement.

(b) Procedure. The decision to exercise the Company's Termination Right will be based solely on the judgment of the Committee (or the Board), in its sole and complete discretion, given the facts and circumstances of each particular case. Such Termination Right may be exercised by the Committee (or the Board) within 90 days after the Committee's discovery of an occurrence that entitles it to exercise its Termination Right (but in no event later than 15 months after the

Optionee's termination of employment with the Company or its affiliates). Such Termination Right will be deemed to be exercised upon the Company's mailing written notice of such exercise postage prepaid, addressed to the Optionee at the Optionee's most recent home address as shown on the personnel records of the Company. The Termination Right of the Company may not be exercised on or after the occurrence of any Event.

14. INTERPRETATION OF THIS AGREEMENT. All decisions and interpretations made by the Committee (or the Board) with regard to any question arising hereunder will be binding and conclusive upon the Company and the Optionee, subject to Section 15 below.

15. LIMITS OF LIABILITY. Any liability of the Company to the Optionee with respect to the Option will be based solely upon contractual obligations created by this Agreement. Except as may be required by law, neither the Company nor any member of the Board or the Committee, nor any other person participating in any determination of any question under the Agreement or in the interpretation, administration or application of this Agreement, will have any liability to any party for any action taken, or not taken, in good faith under this Agreement. Solely for purposes of Sections 5(a)(3), 5(c), 7(a), 8(d), and 13, in the event of any dispute between the Company and the Optionee as to whether Cause existed, whether Good Reason existed, or whether the Company's exercise of its Termination Right was correct, the applicable tribunal in any arbitration or litigation shall not give any deference to the determination by the Company, Committee or Board of the basis for such decision, nor to the Optionee with respect to a determination of Good Reason, but such tribunal will itself determine de novo whether Cause existed, whether Good Reason existed, or whether the Company's exercise of its Termination Right was correct, as applicable.

16. OTHER BENEFIT AND COMPENSATION PROGRAMS. Payments and other benefits received by the Optionee pursuant to this Agreement will not be deemed a part of the Optionee's regular, recurring compensation for purposes of the termination, indemnity or severance pay laws of any country and will not be included in, nor have any effect on, the determination of benefits under any other employee benefit plan, contract or similar arrangement provided by the Company or an affiliate of the Company unless expressly so provided by such other plan, contract or arrangement.

17. DISCONTINUANCE OF EMPLOYMENT. This Agreement will not give the Optionee a right to continued employment with the Company or any parent or subsidiary of the Company, and the Company or any such parent or subsidiary employing the Optionee may terminate the Optionee's employment in accordance with the provisions of the Employment Agreement, if en effect, or otherwise at any time and otherwise deal with the Optionee without regard to the effect it may have upon the Optionee under this Agreement.

18. OBLIGATION TO RESERVE SUFFICIENT SHARES. The Company will at all times during the term of the Option reserve and keep available a sufficient number of Shares to satisfy this Agreement.

19. RESALE OF THE SHARES.

(a) Restricted Securities. The Optionee hereby represents and warrants to the Company that, unless a registration statement is effective and current at the time

of exercise of this option, the Shares to be issued upon the exercise of the Option will be acquired by the Optionee for the Optionee's own account, for investment only and not with a view to the resale or distribution thereof. In any event, the Optionee will notify the Company of any proposed resale of the Shares issued to the Optionee upon exercise of the Option. Any resale or distribution of such Shares by the Optionee may be made only pursuant to a registration statement under the Securities Act that is effective and current with respect to the Shares being sold, or a specific exemption from the registration requirements of the Securities Act, but in claiming such exemption, the Optionee will prior to any offer of sale or sale of such Shares provide the Company with a favorable written opinion of counsel satisfactory to the Company, in form and substance satisfactory to the Company, as to the applicability of such exemption to the proposed sale or distribution. Such representations and warranties will also be deemed to be made by the Optionee upon each exercise of the Option. Nothing herein will be construed as requiring the Company to register shares subject to this option under the Securities Act.

(b) Legends. The Company may affix appropriate legends upon the certificates for shares and may issue such "stop transfer" instructions to its transfer agent in respect of such shares as it determines, in its discretion, to be necessary or appropriate to (1) prevent a violation of, or to perfect an exemption from, the registration requirements of the Securities Act, or (2) implement the provisions of any agreement between the Company and the Optionee with respect to such Shares.

(c) Registration. Within one year of the Effective Date, the Company will make all commercially reasonable efforts to register the Shares that are subject to the Option by filing a Form S-8 with respect to such Shares with the Securities and Exchange Commission.

20. MARKET STAND-OFF. The Optionee agrees that the underwriter for a public offering of the Company's securities, or the Company, will each have the right, in its sole discretion, to prohibit the sale, without prior written consent, of all or any portion of the Shares for a period not to exceed 180 days from the closing of a public offering of the Company's securities. The provisions of this Section will apply to any public offering of the Company's securities, regardless of whether any shares of the Optionee are included in or registered concurrently with such offering.

21. BINDING EFFECT. This Agreement will be binding in all respects on the heirs, representatives, successors and assigns of the Optionee. This Agreement and the Employment Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof and thereof and supersedes any prior agreements with respect hereto or thereto.

22. CHOICE OF LAW. This Agreement is entered into under the laws of the State of Minnesota and will be construed and interpreted thereunder (without regard to its conflict of law principles).

23. SEVERABILITY. The invalidity, unenforceability or illegality of any provision herein will not affect the validity, enforceability or legality of any other provision.

24. CONSTRUCTION. The Option will not be construed or interpreted with any presumption against the Company by reason of the Company drafting this Agreement.

The Optionee and the Company have executed this Agreement as of the Effective Date.

VALUEVISION MEDIA, INC.

By: /s/ Nathan E. Fagre

Name: Nathan E. Fagre
Its: Senior Vice President, General Counsel and Secretary

OPTIONEE

/s/ William Lansing

William Lansing

NEITHER THE SECURITIES REPRESENTED BY THIS INSTRUMENT NOR THE SECURITIES THAT ARE ISSUABLE UPON EXERCISE HEREOF HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE, AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER SUCH ACT AND/OR APPLICABLE STATE SECURITIES LAWS, OR UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL OR OTHER EVIDENCE, REASONABLY SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED.

_____, 20__

VALUEVISION MEDIA, INC.
6740 Shady Oak Road
Eden Prairie, Minnesota 55344
Attention: Secretary

Ladies and Gentlemen:

I hereby exercise the following option (the "OPTION") granted to me pursuant to the agreement (the "OPTION AGREEMENT") referenced below with respect to the number of shares of Common Stock of ValueVision Media, Inc. (the "COMPANY") indicated below:

NAME:

DATE OF GRANT OF OPTION:

EXERCISE PRICE PER SHARE:

NUMBER OF SHARES WITH RESPECT TO WHICH THE OPTION IS HEREBY EXERCISED:

TOTAL EXERCISE PRICE:

[ ] Enclosed with this letter is a check, bank draft or money order in the amount of the Total Exercise Price.

[ ] I elect to pay the Total Exercise Price through cancellation of indebtedness owed to me by the Company or by a parent or subsidiary of the Company as provided in the Option Agreement.

[ ] I hereby agree to pay the Total Exercise Price within five business days of the date hereof and, as stated in the attached Broker's Letter, I have delivered irrevocable instructions to _____ to promptly deliver to the Company the amount of sale or loan proceeds from the Shares to be issued pursuant to this exercise necessary to satisfy my obligation hereunder to pay the Total Exercise Price.

[ ] Enclosed with this letter is a certificate evidencing unencumbered Shares (duly endorsed in blank) having an aggregate Fair Market Value (as defined in the Option Agreement) equal to or in excess of the Total Exercise Price.

[ ] I elect to pay the Total Exercise Price through a reduction in the number of Shares delivered to me upon this exercise of the Option as provided in the Option Agreement.

If I am enclosing Shares with this letter, I hereby represent and warrant that I am the owner of such Shares free and clear of all liens, security interests and other restrictions or encumbrances. I agree that I will pay any required withholding taxes in connection with this exercise as provided in the Option Agreement.

Please issue a certificate (the "CERTIFICATE") for the number of Shares with respect to which the Option is being exercised in the name of the person indicated below and deliver the Certificate to the address indicated below:

NAME IN WHICH TO ISSUE CERTIFICATE:
ADDRESS TO WHICH CERTIFICATE SHOULD BE DELIVERED:

PRINCIPAL MAILING ADDRESS FOR HOLDER OF THE CERTIFICATE
(IF DIFFERENT FROM ABOVE):

Very truly yours,

Signature

Name, please print

Social Security Number

_____, 20__

VALUEVISION MEDIA, INC.
6740 Shady Oak Road
Eden Prairie, Minnesota 55344
Attention: Secretary

Ladies and Gentlemen:

NAME OF OPTIONEE:

DATE OF GRANT OF OPTION:

EXERCISE PRICE PER SHARE:

NUMBER OF SHARES WITH RESPECT TO WHICH THE OPTION IS TO BE EXERCISED:

TOTAL EXERCISE PRICE:

The above Optionee has requested that we finance the exercise of the above Option to purchase Shares of Common Stock of ValueVision Media, Inc. (the "COMPANY") and has given us irrevocable instructions to promptly deliver to the Company the amount of sale or loan proceeds from the Shares to be issued pursuant to such exercise to satisfy the Optionee's obligation to pay the Total Exercise Price.

Very truly yours,

Broker Name

By

EXHIBIT B

EXHIBIT 10.67

SEPARATION AGREEMENT

THIS SEPARATION AGREEMENT (this "AGREEMENT") is made and entered into on November 25, 2003 (the "EFFECTIVE DATE") by and between ValueVision Media, Inc., a Minnesota corporation with its principal place of business in Eden Prairie, Minnesota (the "COMPANY"), and Gene McCaffery, an Illinois resident ("MCCAFFERY").

BACKGROUND

A. McCaffery has been employed by the Company since March 30, 1998 and is currently employed by the Company as its President and Chief Executive Officer.

B. McCaffery currently serves as a member of the Company's Board of Directors (the "BOARD") and is the Board's Chairman.

C. The Company and McCaffery entered into an Employment Agreement dated March 30, 1998, which was amended and restated by the Amended and Restated Employment Agreement dated December 2, 1999 as amended by Amendment No. 1 to the 1999 Restated Employment Agreement dated October 9, 2000 and Amendment No. 2 to the 1999 Restated Employment Agreement dated September 10, 2002 (as so amended, the "AMENDED AND RESTATED EMPLOYMENT AGREEMENT").

D. The parties have agreed that McCaffery will resign as President and Chief Executive Officer of the Company, effective upon the date and subject to the terms and conditions set forth in this Agreement.

E. The parties desire to resolve all present and potential issues between them relating to McCaffery's employment and termination of his employment, and have agreed to a full resolution of any such issues as set forth in this Agreement.

F. In consideration of the mutual promises and provisions contained in this Agreement, the parties, intending to be legally bound, agree as follows:

AGREEMENTS

1. RESIGNATION AS PRESIDENT AND CHIEF EXECUTIVE OFFICER. McCaffery agrees to resign as President and Chief Executive Officer of the Company effective on such date set forth in a written notice signed by a majority of the non-employee members of the Board and which effective date will be at least 15 calendar days following the date of delivery of the notice or such earlier date agreed to by McCaffery and the Company. If McCaffery is still the President and Chief Executive Officer of the Company on and after December 31, 2003, then McCaffery will also have the right to resign from such position, at his discretion, after providing the Company with written notice at least 30 calendar days prior to the effective date of such resignation. The effective date of any such resignation under this Section 1 is referred to in this Agreement as the "TRANSITION DATE".

2. RESIGNATION FROM THE BOARD. McCaffery agrees to resign his seat on the Board immediately upon receipt of the written request of a majority of the non-employee members of the Board. In addition, McCaffery may resign voluntarily from the Board at any time.

3. RELEASES.

(a) MCCAFFERY RELEASE. Within 21 days following the Transition Date, McCaffery will execute and deliver to the Company a release in the form attached to this Agreement as Exhibit A (the "MCCAFFERY RELEASE").

(b) VALUEVISION RELEASE. Concurrent with receipt of the McCaffery Release, the Company will execute and deliver to McCaffery a release in the form attached to this Agreement as Exhibit B (the "VALUEVISION RELEASE" and, together with the McCaffery Release, collectively the "RELEASES").

(c) INTERPRETATION. This Agreement will not be interpreted or construed to limit the Releases in any manner and the existence of any dispute respecting the interpretation or alleged breach of this Agreement will not nullify or otherwise affect the validity or enforceability of the Releases.

4. CONTINUED EMPLOYMENT.

(a) EMPLOYMENT THROUGH TRANSITION DATE. From the date of this Agreement through the Transition Date, McCaffery will remain employed by the Company as President and Chief Executive Officer. During such period he shall continue to report to the Board and shall faithfully and to the best of his ability devote his full time and skills to such employment as President and Chief Executive Officer. While he serves as President and Chief Executive Officer, McCaffery (1) shall be paid a base salary at the current annual rate of $900,000, such rate to increase to $950,000 effective April 1, 2004 if McCaffery continues as President and Chief Executive Officer on and after such date, (2) shall be paid an automobile allowance of $600 per month, and (3) shall be eligible to continue to participate in such employee benefit plans and programs of the Company in which he is currently participating in accordance with the terms of such plans and programs.

(b) TRANSITION EMPLOYMENT AGREEMENT. The Company agrees to continue to employ McCaffery from and after the Transition Date as Special Advisor to the Board on the terms and subject to the conditions set forth in the form of Transition Employment Agreement attached to this Agreement as Exhibit C (the "TRANSITION EMPLOYMENT AGREEMENT"). The existence of any dispute under the Transition Employment Agreement will not affect the rights or obligations of the parties under this Agreement.

(c) DELIVERY REQUIREMENT. The Transition Employment Agreement will become legally binding on McCaffery and the Company only if McCaffery executes and delivers to the Company the Transition Employment Agreement within 5 calendar days after the Transition Date. At such time, the Company will execute and deliver to McCaffery the Transition Employment Agreement.

(d) LEGAL EFFECT. Upon execution and delivery to the Company by McCaffery of the Transition Employment Agreement in compliance with Section 4(c):

(1) McCaffery's employment by the Company will be deemed to have been continued as of the Transition Date without interruption;

(2) the resignation of McCaffery as President and Chief Executive Officer of the Company will not be deemed to constitute a termination of employment under the terms of that certain Promissory Note dated June 23, 2000 (the "PROMISSORY

NOTE") given by McCaffery to the Company and no accelerated repayment of the Promissory Note would be required as a result thereof;

(3) the resignation of McCaffery as President and Chief Executive Officer of the Company will not be deemed to constitute a termination of employment under the terms of any stock option agreement or restricted stock agreement between McCaffery and the Company; and

(4) any references to termination of employment in Sections 5(d) or 9 will be deemed to refer to the termination of McCaffery's employment by the Company under the Transition Employment Agreement.

5. SEVERANCE.

(a) AMOUNTS. The total amounts to be paid to or on behalf of McCaffery under this Agreement will be equal to the sum of the following:

(1) an amount equal to the aggregate base salary that would have been paid to McCaffery under Section 4(a) of the Amended and Restated Employment Agreement if he had remained employed as President and Chief Executive Officer of the Company for the period from the Transition Date through December 31, 2005, less required deductions and withholdings;

(2) $1,583,000, less required deductions and withholdings, in consideration of the first and second extended term retention bonuses the Company was required to pay McCaffery under Section 4(f) of the Amended and Restated Employment Agreement;

(3) $291,666, less any required deductions and withholdings, in consideration of the second extended term signing bonus the Company was required to pay McCaffery under Section 4(b) of the Amended and Restated Employment Agreement; and

(4) the amount of the performance bonus for fiscal year 2003 that McCaffery would be entitled to, if any, under the Company's 2002 Management Incentive Plan if he had remained employed through January 31, 2004, under the terms of such plan as determined based on achievement of Company financial objectives established by the Company's Compensation Committee, less any required deductions and withholdings, such amount to be prorated by the Company through the Transition Date to reflect the actual portion of the fiscal year during which McCaffery served as President and Chief Executive Officer of the Company.

(b) TIMING OF PAYMENTS. The Company will pay the amounts set forth in Section 5(a) to McCaffery as follows:

(1) the payments described in Sections 5(a)(1), (2) and
(3) will be paid as soon as practicable after satisfaction by McCaffery of each of the conditions precedent in Section 6, but not earlier than January 2, 2004; and

(2) the payment described in Section 5(a)(4), if any, will be paid on the later of the date that each of the conditions precedent in Section 6 are satisfied by McCaffery and the date that other senior executives of the Company are paid their

performance bonuses for fiscal year 2003 under the Company's 2002 Management Incentive Plan.

(c) ADDITIONAL BENEFITS. Subject to the satisfaction by McCaffery of each of the conditions precedent in Section 6, the Company will continue to provide health, dental and life insurance benefits to McCaffery. If continuation of any coverage under the Company's plans requires an election by McCaffery pursuant to COBRA or similar laws, then the Company will pay for coverage only if McCaffery elects to continue it in accordance with such laws and the applicable plans. In the event that McCaffery's participation in such plans is not possible under any of the applicable plans and laws (for reasons other than McCaffery's failure to comply with the election requirements for continuation coverage), the Company will purchase substantially similar coverage until the earlier of (1) December 31, 2005, and (2) the date on which McCaffery becomes eligible under another group plan for such particular type of coverage that is substantially similar to the coverage provided under the plans provided by the Company. McCaffery and the Company agree to cooperate in good faith to seek the most favorable rate for comparable coverage for McCaffery once COBRA continuation coverage ends. The Company will be obligated to comply with its obligations under this Section 5(c) whether or not McCaffery is employed by the Company under the Transition Employment Agreement, except that the Company will no longer have any obligations under this Section 5(c) after December 31, 2005.

(d) VESTING OF RESTRICTED STOCK. Subject to the satisfaction by McCaffery of each of the conditions precedent in Section 6, the restricted stock granted to McCaffery pursuant to that certain Restricted Stock Agreement effective February 1, 2003 shall vest in full upon termination of McCaffery's employment with the Company.

(e) EFFECT OF PAYMENTS. The payment by the Company of the amounts set forth in Section 5(a) and the fulfillment by the Company of its obligations under Sections 5(c) and (d) will be in lieu of any further payments or compensation that McCaffery would otherwise be entitled to receive under the Amended and Restated Employment Agreement but shall not affect any rights of McCaffery under any stock option agreement with the Company, whether or not such option grant was provided for under the Amended and Restated Employment Agreement.

6. CONDITIONS PRECEDENT. McCaffery will be entitled to the consideration described in Sections 5(a), (c) and (d) only if and when the following conditions are satisfied by McCaffery:

(a) Within 21 days after the Transition Date McCaffery has executed and delivered to the Company the McCaffery Release (or, in the event of the earlier death or disability of McCaffery, his estate or personal representative, as applicable, has executed and delivered to the Company a release substantially in the form of the McCaffery Release and approved by the Company in the reasonable exercise of its discretion);

(b) the rescission period set forth in the McCaffery Release has expired, McCaffery has not rescinded the McCaffery Release, and McCaffery confirms in writing to the Company after the expiration of such rescission period that McCaffery has not and will not rescind the McCaffery Release;

(c) McCaffery's employment with the Company prior to the Transition Date or under the Amended and Restated Employment Agreement has not been terminated for Cause (as such term is defined under Transition Employment Agreement, whether or not the Transition Employment Agreement has become effective), there exists no event or

circumstance that constitutes Cause and McCaffery has not voluntarily resigned his employment with the Company except as specifically provided pursuant to Section 1 of this Agreement;

(d) The representations and warranties of McCaffery contained in this Agreement are true and correct in all material respects as of the date of this Agreement and will be true and correct in all material respects on the Transition Date, as if made on the Transition Date.

(e) McCaffery will have observed and performed in all material respects all covenants and agreements required by this Agreement to be observed or performed by McCaffery on or prior to the Transition Date, except where such covenants and agreements are qualified as to materiality, in which case McCaffery will have observed and performed such covenants and agreements in all respects; and

(f) McCaffery will have delivered to the Company a certificate executed by McCaffery and dated the Transition Date to the effects set forth in Sections 6(d) and (e).

7. EFFECT ON CERTAIN BENEFITS.

(a) EXISTING STOCK OPTIONS; RESTRICTED STOCK. Except as specifically provided in Section 5(d), this Agreement will not affect or alter any of the previous agreements in effect between the Company and McCaffery pertaining to any stock options or restricted stock granted to McCaffery by the Company.

(b) PREVIOUS SIGNING BONUSES. McCaffery will have no obligation to return to the Company any portion of any signing bonus paid to him under the Amended and Restated Employment Agreement prior to the date of this Agreement.

8. REPAYMENT OF PROMISSORY NOTE; PLEDGE AGREEMENT. Notwithstanding anything contained in this Agreement, the Promissory Note will continue to remain payable according to its terms and that certain Pledge Agreement dated as of June 23, 2000 ("PLEDGE AGREEMENT") will continue in full force and effect. McCaffery understands and agrees that he must continue to comply with the collateral requirements of the Note and Pledge Agreement in accordance with their terms. In the event McCaffery becomes a full-time employee of an employer other than the Company, then any amounts to which McCaffery becomes entitled to receive under either of this Agreement or the Transition Employment Agreement subsequent to the commencement date of such other employment will be applied first to repay any amounts payable under the Promissory Note.

9. NON-DISCLOSURE, NON-COMPETITION, AND NON-SOLICITATION AGREEMENTS.

(a) NON-DISCLOSURE AGREEMENT. McCaffery acknowledges that the confidential information and data obtained by him during the course of his employment concerning the business or affairs of the Company, or any entity related thereto, are the property of the Company and will be confidential to the Company. Such confidential information may include, but is not limited to, specifications, designs, and processes, product formulae, manufacturing, distributing, marketing or selling processes, systems, procedures, plans, know-how, services or material, trade secrets, devices (whether or not patented or patentable), customer or supplier lists, price lists, financial information including, without limitation, costs of materials, manufacturing processes and distribution costs, business plans, prospects or opportunities, and software and development or research work, but does not include McCaffery's general business or direct marketing knowledge (the "CONFIDENTIAL INFORMATION"). All the Confidential Information shall remain the property of the Company and McCaffery agrees that he will not disclose to any unauthorized persons or use for his

own account or for the benefit of any third party any of the Confidential Information without the Board's written consent. McCaffery agrees to deliver to the Company at the termination of his employment or at such earlier date requested by the Company, all memoranda, notes, plans, records, reports, video and audio tapes and any and all other documentation (and copies thereof) relating to the business of the Company, or any entity related thereto, which he may then possess or have under his direct or indirect control. Notwithstanding any provision herein to the contrary, the Confidential Information shall specifically exclude information which is publicly available to McCaffery and others by proper means, readily ascertainable from public sources known to McCaffery at the time the information was disclosed or which is rightfully obtained from a third party. It shall not be a breach of this
Section 9(a) for McCaffery to disclose Confidential Information (1) as required by law, provided McCaffery provides notice to the Company enabling it to seek a protective order before disclosure; or (2) to his attorney regarding litigation with the Company or other matters, provided that McCaffery instructs his attorney not to disclose such Confidential Information except with the advance written consent of McCaffery and the Company or to the extent necessary in connection with any dispute or potential dispute between McCaffery and the Company.

(b) NON-COMPETITION AGREEMENT. McCaffery agrees that during his employment with the Company and for a period of 6 months following the date on which his employment with the Company terminates for any reason, he will not, directly or indirectly,

(1) own, manage, control participate in, lend his name to, act as consultant or advisor to or render services (alone or in association with any other person, firm, corporation or other business organization) for any other person or entity engaged in (a) the television home shopping business, or (b) subject to the limitation set forth in the next sentence, any business in which the Company competes as of the date of termination of McCaffery's employment with the Company or in which the Company (upon authorization of the Board) has invested significant research and development funds or resources and contemplates entering into during the following 12 months (the "RESTRICTED BUSINESS"), in any country that the Company or any of its affiliates operates during the term of McCaffery's employment with the Company (the "RESTRICTED AREA"); or

(2) have any interest in any business engaged in the Restricted Business in the Restricted Area other than the Company (provided that nothing herein will prevent McCaffery from owning in the aggregate not more than 1% of the outstanding stock of any class of a corporation engaged in the Restricted Business in the Restricted Area which is publicly traded, so long as McCaffery has no participation in the management or conduct of business of such corporation).

Notwithstanding any other provision of this Section 9, "RESTRICTED BUSINESS" shall not include an internet- or e-commerce-related business that is not also engaged in the television home shopping business.

(c) COVENANT NOT TO HIRE OR RECRUIT EMPLOYEES. McCaffery agrees that during his employment with the Company and for a period of 12 months following the date on which his employment with the Company terminates for any reason, he will not, directly or indirectly, induce or attempt to induce any employee of the Company or any entity related to the Company to leave his, her or their employ, or in any other way interfere with the relationship between the Company or any entity related to the Company and any other employee of the Company or any entity related to the Company.

(d) COVENANT NOT TO SOLICIT CUSTOMERS. McCaffery agrees that during his employment with the Company and for a period of 6 months following the date on which his employment with the Company terminates for any reason, he will not, directly or indirectly, induce or attempt to induce any customer, supplier, franchisee, licensee, other business relation or any affiliate of the Company or any entity related to the Company to cease doing business with the Company or any entity related to the Company, or in any way interfere with the relationship between any customer, franchisee or other business relation and the Company or any entity related to the Company, without the prior written consent of the Board.

(e) ACKNOWLEDGMENT. McCaffery acknowledges that the provisions of this Section 9 are reasonable and necessary to protect the legitimate interests of the Company and that any violation of this Section 9 by McCaffery will cause substantial and irreparable harm to the Company to such an extent that monetary damages alone would be an inadequate remedy therefor. Therefore, in the event that McCaffery violates any provision of this Section 9, the Company will be entitled to an injunction, in addition to all the other remedies it may have, restraining McCaffery from violating or continuing to violate such provision.

(f) BLUE PENCIL DOCTRINE. If the duration of, scope of, or any business activity covered by this Section 9 is in excess of what is valid and enforceable under applicable law, such provision will be construed to cover only that duration, scope, or activity that is valid and enforceable. McCaffery acknowledges that this Section 9 will be given the construction which renders its provisions valid and enforceable to the maximum extent, not exceeding its express terms, possible under applicable laws.

10. MCCAFFERY'S REPRESENTATIONS AND WARRANTIES.

(a) GOOD FAITH. At all times that he was an employee, officer, or director of the Company, McCaffery acted in good faith, had no reasonable cause to believe that his conduct was unlawful, and reasonably believed that his conduct was in or not opposed to the best interests of the Company.

(b) CAPACITY: ENFORCEABILITY. McCaffery has the legal capacity to execute and deliver this Agreement and the McCaffery Release and to perform his obligations hereunder and thereunder. This Agreement is, and upon execution and expiration of the applicable revocation period the McCaffery Release will be, the legal, valid and binding obligation of McCaffery, enforceable in accordance with their respective terms.

(c) COMPANY STATEMENTS. McCaffery has not relied upon any statements or representations made by the Company or its attorneys, written or oral, including but not limited to statements regarding tax or legal matters pertaining to actions contemplated by this Agreement, other than the statements set forth in this Agreement and the ValueVision Release.

11. COMPANY'S REPRESENTATIONS AND WARRANTIES.

(a) CAPACITY: ENFORCEABILITY. The undersigned director of the Company has the legal capacity to execute and deliver this Agreement and the ValueVision Release on behalf of the Company. This Agreement is, and upon execution the ValueVision Release will be (subject to expiration of the rescission period applicable to the McCaffery Release), the legal, valid and binding obligation of the Company, enforceable in accordance with their respective terms.

(b) MCCAFFERY STATEMENTS. The Company has not relied upon any statements or representations made by McCaffery or his attorneys, written or oral, pertaining to actions contemplated by this Agreement, other than the statements set forth in this Agreement and the McCaffery Release.

12. ADDITIONAL BONUS. The Board will consider, in its sole and absolute discretion, whether to pay an additional bonus to McCaffery under the terms of this Agreement based on the Company's financial performance for the fiscal year ending January 31, 2005 (FY2004). For purposes of providing general guidance to the Board only, if the Company's earnings before interest, taxes, depreciation and amortization ("EBITDA") for FY2004 is greater than $35 million, the additional bonus to be paid to McCaffery would be no greater than the lower of $250,000 or the amount of any performance bonus under Section 5(a)(4), and if the EBITDA for such fiscal year were in excess of $50 million, the additional bonus to be paid to McCaffery would be no greater than the lower of $500,000 or the amount of any performance bonus under Section 5(a)(4). The Board may determine in its sole and absolute discretion whether any bonus under this Section 11 will be paid to McCaffery and, if so, the form and timing of payment of any such bonus.

13. COOPERATION.

(a) OBLIGATION TO COOPERATE. At the Company's request and upon reasonable prior notice, McCaffery will, from time to time, both during and after his employment with the Company:

(1) timely execute and deliver such acknowledgements, instruments, certificates, and other ministerial documents (including without limitation, certification as to specific actions performed by McCaffery in his capacity as an officer or director of the Company) as may be necessary or appropriate to formalize and update applicable corporate records;

(2) cooperate with the Company and otherwise perform such actions as reasonably requested by the Company in connection with any legal proceedings, investigations or litigation in which the Company is involved or otherwise has an interest; and

(3) discuss and consult with the Company regarding business matters that he was involved with while employed by the Company.

(b) PAYMENT. To the extent that cooperation under Section 13(a) is required by the Company after McCaffery is no longer employed by the Company, the Company will compensate McCaffery for his time as well as any expenses he incurs in connection with any actions taken to comply with Section 13(a) after termination of McCaffery's employment with the Company, at a per diem amount of $2,000. Such payment by the Company will be made as soon as practicable after the Company requests his cooperation under Section 13(a).

(c) EXCEPTION. Notwithstanding Section 13(a), McCaffery may refuse to comply with a request for his cooperation by the Company under Section 13(a) if McCaffery reasonably believes that his cooperation would be unlawful or unethical or would require him to make any inaccurate statement of fact.

(d) EFFECT OF BREACH. Any action or omission by McCaffery in violation of Section 13(a) shall not constitute a breach of this Agreement unless and until the Company has provided written notice to McCaffery describing the alleged violation and, if such

violation is curable, McCaffery has failed to cure it within five (5) calendar days following the date such notice is given.

14. MUTUAL CONFIDENTIALITY.

(a) GENERAL STANDARD. It is the intent of the parties that the terms of this Agreement and the Releases (collectively "CONFIDENTIAL SEPARATION INFORMATION"), will be forever treated as confidential. Accordingly, McCaffery and the Company will not disclose or discuss such Confidential Separation Information to or with anyone at any time, except as provided in Section 14(b) below.

(b) EXCEPTIONS.

(1) It will not be a violation of this Agreement for the parties to disclose Confidential Separation Information in reports to governmental agencies as required by law or regulation, including but not limited to, disclosure as required by federal securities laws and regulations or any federal or state tax authority.

(2) It will not be a violation of this Agreement for the parties to acknowledge the existence of this Agreement or the Transition Employment Agreement, if in effect, in response to any inquiry regarding the termination of McCaffery's employment with the Company or his status as President and Chief Executive Officer.

(3) It will not be a violation of this Agreement for McCaffery to disclose Confidential Separation Information to his spouse, attorneys, accountants or tax advisors.

(4) It will not be a violation of this Agreement for McCaffery to disclose to employers and prospective employers that he is constrained from certain activities as a result of the terms of this Agreement. Nor will it be a violation of this Agreement for McCaffery to inform Company employees who ask him about employment opportunities outside the Company that the terms of Section 9(c) preclude him from engaging in certain activities that could interfere with their employment with the Company.

(5) It will not be a violation of this Agreement for either party to disclose Confidential Separation Information to the Company's auditors, its attorneys, or its directors, officers, employees, and agents who have a legitimate reason to obtain the Confidential Separation Information in the course of performing their duties or responsibilities for the Company.

(6) It will not be a violation of this Agreement for either party to disclose Confidential Separation Information in connection with any litigation or arbitration proceeding involving the parties' rights or obligations under this Agreement or the Releases.

15. NON-DISPARAGEMENT. McCaffery will not malign, defame or disparage the reputation, character, image, products, or services of the Company, or the reputation or character of the Company's directors, officers, employees, or agents. The Company will not authorize any of its officers, directors, employees or agents acting on its behalf to malign, defame or disparage the reputation or character of McCaffery, and will take appropriate and reasonable actions to prevent any such person from doing so. Nothing in this Section 15 will be interpreted to limit in any manner the

exercise of fiduciary responsibilities of any person as an officer or director of the Company, or to prohibit any person from giving truthful information in response to a valid subpoena or court order.

16. FULL COMPENSATION. McCaffery acknowledges and understands that the payments made and other consideration provided by the Company under this Agreement will fully compensate McCaffery for and extinguish any and all of the potential claims McCaffery is releasing in the McCaffery Release, including without limitation, any claims for attorneys' fees and costs and any and all claims for any type of legal or equitable relief.

17. LEGAL REPRESENTATION. McCaffery acknowledges that he consulted with his own attorney before executing this Agreement and the McCaffery Release, that he has had a full opportunity to consider this Agreement and the Releases, and that he has had a full opportunity to ask any questions that he may have concerning this Agreement, the Releases, and the settlement of his potential claims against the Company.

18. EXPENSES. As soon as practicable after satisfaction by McCaffery of each of the conditions precedent set forth in Section 6, the Company will reimburse McCaffery up to $35,000 for the reasonable legal fees and expenses incurred by McCaffery in connection with the negotiation and execution of this Agreement and the Releases.

19. TAXES. The Company will deduct from any payments made to McCaffery under this Agreement any withholding or other taxes that the Company is required to deduct, if any, under applicable law. Except to the extent taxes are withheld by the Company, McCaffery shall be solely responsible for the payment of all taxes due and owing with respect to wages, benefits, and other compensation provided to him hereunder. So long as the Company reasonably believes McCaffery is a legal resident of the State of Illinois, the Company shall treat McCaffery as a resident of the State of Illinois for state income tax withholding purposes and shall allocate any compensation reportable with respect to the payments made to him under Section 5 and any compensation income realized by him from the exercise of stock options to Illinois. McCaffery agrees to promptly advise the Company should his residence change from that of Illinois.

20. ASSIGNMENT. The rights and obligations of the Company under this Agreement will inure to the benefit of and be binding upon the successors and assigns of the Company. McCaffery may not assign this Agreement or any rights hereunder. Any purported or attempted assignment or transfer by McCaffery of this Agreement or any of McCaffery's duties, responsibilities, or obligations hereunder will be void. Notwithstanding the forgoing sentence:

(a) in the event of McCaffery's death prior to the Transition Date, McCaffery's estate will be eligible to receive the consideration payable under Sections 5(a) and (c) if and only if McCaffery's estate satisfies the conditions precedent in
Section 6, and the date of McCaffery's death will be the Transition Date; and

(b) in the event of McCaffery's total incapacity prior to the Transition Date, McCaffery will be eligible to receive the consideration payable under Sections 5(a) and (c) if and only if McCaffery's duly authorized representative satisfies the conditions precedent in Section 6, and the date of McCaffery's total incapacity will be the Transition Date.

21. MISCELLANEOUS.

(a) NOTICES. Notices required to be given under this Agreement must be in writing and will be deemed to have been given when personally served, sent by courier or mailed by United States registered or certified mail, return receipt requested, postage prepaid, to the

last known residence address of McCaffery or, in the case of the Company, to its principal office, to the attention of the Board, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address will be effective only upon receipt by the other party.

(b) CONSTRUCTION AND SEVERABILITY. The validity, interpretation, performance, and enforcement of this Agreement will be governed by the laws of the State of Minnesota without regard to conflicts-of-laws provisions that would require application of any other law. In the event any provision of this Agreement is held illegal or invalid for any reason, such illegality or invalidity will not in any way affect the legality or validity of any other provision hereof and, subject to Section 9(f), such illegal or invalid provision will be deemed severed from this Agreement. It is the intention of the parties hereto that the Company be given the broadest possible protection respecting its confidential information and trade secrets; and respecting competition by McCaffery following his resignation from the Company.

(c) REMEDIES.

(1) ACKNOWLEDGEMENT REGARDING INJUNCTIVE AND OTHER EQUITABLE RELIEF. McCaffery acknowledges that it would be difficult to fully compensate the Company for monetary damages resulting from any breach by him of the provisions of Sections 9 and 14. Accordingly, in the event of any actual or threatened breach of any such provisions, the Company will, in addition to any other remedies it may have, be entitled to injunctive and other equitable relief to enforce such provisions, and such relief may be granted without the necessity of proving actual monetary damages.

(2) JURISDICTION AND VENUE. McCaffery and the Company consent to jurisdiction of the Hennepin County, Minnesota district court and/or United States District Court for the District of Minnesota, for the purpose of resolving all claims for injunctive relief. Any such actions for injunctive relief must be brought in such courts. Each party consents to personal jurisdiction over such party in the state and/or federal courts of Minnesota and hereby waives any defense of lack of personal jurisdiction.

(d) ENTIRE AGREEMENT. Except for any and all agreements or understandings related to McCaffery's stock options and restricted stock (which have not been affected or altered by this Agreement except as provided in Section 5(d)), this Agreement, the Releases, the Transition Employment Agreement, the Promissory Note and the Pledge Agreement set forth the entire understanding between the Company and McCaffery, and there are no understandings other than as set forth in this Agreement, the Releases, the Transition Employment Agreement, the Promissory Note and the Pledge Agreement. This Agreement may not be altered or amended, except by a writing executed by the party against whom such alteration or amendment is to be enforced. This Agreement, the Releases and the Transition Employment Agreement supercede the Amended and Restated Employment Agreement.

(e) COUNTERPARTS. This Agreement may be simultaneously executed in any number of counterparts, and such counterparts executed and delivered, each as an original, will constitute but one and the same instrument.

(f) CAPTIONS AND HEADINGS. The captions and section headings used in this Agreement are for convenience of reference only, and will not affect the construction or interpretation of this Agreement or any of the provisions hereof.

(g) WAIVERS. No failure on the part of either party to exercise, and no delay in exercising, any right or remedy hereunder will operate as a waiver thereof; nor will any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof, or the exercise of any other right or remedy granted hereby or by any related document or by law. No single or partial waiver of rights or remedies hereunder, nor any course of conduct of the parties, will be construed as a waiver of rights or remedies by either party (other than as expressly and specifically waived).

(h) RELIANCE BY THIRD PARTIES. This Agreement is intended for the exclusive benefit of the parties hereto and their respective heirs, executors, administrators, personal representatives, successors, and permitted assigns, and no other person or entity has any right to rely on this Agreement or to claim or derive any benefit therefrom, absent the express written consent of the party to be charged with such reliance or benefit.

The parties have signed this Agreement as of the dates set forth below their respective signatures below.

VALUEVISION MEDIA, INC. **GENE MCCAFFERY**

By:	*Nathan E. Fagre*		*/s/ Gene McCaffery*
	Print Name		*Signature*
Its:	*Senior Vice President, General Counsel and Secretary*	*Dated:*	*November 25, 2003*
	Title		
	/s/ Nathan E. Fagre		
	Signature		
Dated:	*November 25, 2003*		

EXHIBIT B

EXHIBIT 99

VALUEVISION MEDIA NAMES WILLIAM LANSING PRESIDENT AND CEO

Monday December 1, 7:48 pm ET

MINNEAPOLIS, Dec. 1 /PRNewswire-FirstCall/ -- ValueVision Media (Nasdaq: VVTV - News) today announced that its Board of Directors has named William Lansing President and Chief Executive Officer. He will also join ValueVision's Board of Directors. (Photo: http://www.newscom.com/cgi-bin/prnh/20031201/CGM050)

Mr. Lansing joins ValueVision with more than 15 years of senior management experience, including positions as president and CEO at public companies in the consumer direct marketing and Internet commerce arenas.

Lansing served as President and CEO of Fingerhut Companies, then the nation's second largest catalog retailer and a NYSE-listed company, where he grew revenue, launched new businesses, and managed the sale and transition of the company to Federated Department Stores. Subsequent to the acquisition, he was appointed the additional role of Chairman of Federated Direct with the added responsibilities of Macys-by-Mail and Macys.com.

After Fingerhut, Lansing was CEO of NBC Internet, a NASDAQ-listed company, where he led a strategic repositioning of the company. Prior to Fingerhut, Lansing was at General Electric, where he served as Vice President of Business Development, reporting to Chairman Jack Welch. Prior to his role at GE, Lansing was Chief Operating Officer of Prodigy, Inc., where he launched the company's flagship Prodigy Internet offering. Earlier Lansing was a partner at McKinsey and Company. Lansing joins ValueVision from his current role as a partner at General Atlantic Partners, a global private equity firm.

"I am delighted to have Will join the company as CEO," said Gene McCaffery, ValueVision Chairman and CEO. "He is well qualified to lead ValueVision and has the right mix of experience that will greatly benefit the company now and in the years ahead."

Commenting on his new role, Mr. Lansing said: "I am very excited to join ValueVision at this stage. ValueVision has a long, proud history and strong reputation in the electronic retailing industry. The company is well positioned for future growth, and I look forward to working with ValueVision's customers, employees, strategic partners, and vendors to take the company to new heights."

Mr. McCaffery, who has been Chairman and CEO since 1998, has resigned from the Company and the Board of Directors, and will assist in the transition. "The last five years have been a great time for me at ValueVision, both personally and professionally," said Mr. McCaffery. "I am grateful for the opportunity and would like to thank all the people who helped contribute to ValueVision's success."

The Board has appointed Marshall S. Geller to serve as the non-executive Chairman of the Board, following Mr. McCaffery's resignation from the Board. Mr. Geller has served as a Director of ValueVision since May 1993 and was Vice Chairman of the Board of Directors from August 1994 until July 1999.

Mr. Lansing is a 1980 graduate from Wesleyan University and earned his J.D. from Georgetown University in 1985. Mr. Lansing will officially assume his duties effective December 16, and he and his family will be relocating from the San Francisco area to the Twin Cities.

This release contains certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and are accordingly subject to uncertainty and changes in circumstances. Actual results may vary materially from the expectations contained herein due to various important factors, including (but not limited to): consumer spending and debt levels; interest rates; competitive pressures on sales, pricing and gross profit margins; the level of cable distribution for the Company's programming and the fees associated therewith; the success of the Company's e-commerce initiatives; the success of its strategic alliances and relationships; the ability of the Company to manage its operating expenses successfully; risks associated with acquisitions; changes in governmental or regulatory requirements; litigation or governmental proceedings affecting the Company's operations; and the ability of the Company to obtain and retain key executives and employees. More detailed information about those factors is set forth in the Company's filings

with the Securities and Exchange Commission, including the Company's annual report on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K. The Company is under no obligation (and expressly disclaims any such obligation to) update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

ValueVision Media operates in the converged world of television and e-commerce. The live home shopping industry, the majority of ValueVision's business, is $7 billion and growing at a double digit rate annually while the attendant e-commerce space is many times that size and also growing substantially. The Company owns and operates the nation's third largest home shopping network, ShopNBC, with fiscal 2002 sales of $555 million. At the close of fiscal 2002, ShopNBC was broadcast into approximately 55 million cable and satellite homes. The Company also operates ShopNBC.com, which contributed $94 million in sales in fiscal 2002. In addition, the Company operates wholly owned subsidiary FanBuzz, a leading provider of e- commerce solutions to sports, entertainment, and media brands, such as the National Hockey League, The Weather Channel, and ESPN. GE Equity and NBC own approximately 40% of ValueVision Media. For more information, please visit the Company's website at www.valuevisionmedia.com.