UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2006

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

For the transition period from __________ to __________

Commission File No. 000-26408

Programmer's Paradise, Inc.
(Exact name of registrant as specified in its charter)

Delaware	13-3136104
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1157 Shrewsbury Avenue, Shrewsbury, New Jersey 07702
(Address of principal executive offices)

Registrant's Telephone Number (732) 389-8950

Indicate by check mark whether the registrant; (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities and Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and non-accelerated filer" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer [ ]	Accelerated Filer [ ]	Non-Accelerated Filer [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

There were 4,174,512 outstanding shares of Common Stock, par value $.01 per share, as of May 10, 2006, not including 1,109,988 shares classified as treasury stock.

PART I - FINANCIAL INFORMATION

PROGRAMMER'S PARADISE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)

	March 31, 2006 (Unaudited)	December 31, 2005
ASSETS		
Current assets		
Cash and cash equivalents	$ 6,960	$ 7,369
Marketable securities	8,021	7,884
Accounts receivable, net	18,557	21,185
Inventory - finished goods	1,474	1,956
Prepaid expenses and other current assets	628	688
Deferred income taxes, current	1,477	1,783
Total current assets	37,117	40,865
Equipment and leasehold improvements, net	540	434
Other assets	659	453
Deferred income taxes, net of current	2,917	$ 2,516
Total assets	$ 41,233	$ 44,268
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	$ 21,710	$ 25,751
Dividend payable	539	519
Total current liabilities	22,249	26,270
Commitments and contingencies		
Stockholders' equity		
Common stock, $.01 par value; authorized, 10,000,000 shares; issued 5,284,500 shares	$ 53	$ 53
Additional paid-in capital	30,892	30,948
Treasury stock, at cost, 1,141,238 shares and 1,289,665 shares, respectively	(3,187)	(3,620)
Accumulated deficit	(8,979)	(9,570)
Accumulated other comprehensive income	205	187
Total stockholders' equity	18,984	17,998
Total liabilities and stockholders' equity	$ 41,233	$ 44,268

The accompanying notes are an integral part of these condensed consolidated financial statements.

PROGRAMMER'S PARADISE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(Unaudited)
(In thousands, except per share data)

	Three months ended March 31, 2006	2005
Net sales	$ 35,362	$ 30,169
Cost of sales	31,518	26,740
Gross profit	3,844	3,429
Selling, general and administrative expenses	2,967	2,985
Income from operations	877	444
Interest income, net	113	67
Realized foreign currency exchange gain (loss)	1	(11)
Income before income tax provision	991	500
Provision for income taxes	400	200
Net income	$ 591	$ 300
Net income per common share - Basic	$ 0.14	$ 0.08
Net income per common share - Diluted	$ 0.13	$ 0.07
Weighted average common shares outstanding-Basic	4,101	3,922
Weighted average common shares outstanding-Diluted	4,454	4,445
Reconciliation to comprehensive income:		
Net income	$ 591	$ 300
Other comprehensive income(loss), net of tax:		
Unrealized gain on marketable securities	7	-
Foreign currency translation adjustments	11	(10)
Total comprehensive income	$ 609	$ 290

The accompanying notes are an integral part of these condensed consolidated financial statements.

PROGRAMMER'S PARADISE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Unaudited)
(In thousands, except share amounts)

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Treasury Stock	Accumulated Defici	Accumulated other comprehensive Income	Total
Balance at January 1, 2006	5,284,500	$ 53	$ 30,948	$ (3,620)	$ (9,570)	$ 187	$ 17,998
Net income					591		591
Translation adjustment						11	11
Unrealized gain on available-for sale securities						7	7
Exercise of stock options			24	433			457
Dividend declared payable			(539)				(539)
Tax benefit from exercises of non-qualified stock options			455				455
Share-based compensation expense			4				4
Balance at March 31, 2006	5,284,500	$ 53	$ 30,892	$ (3,187)	$ (8,979)	$ 205	$ 18,984

The accompanying notes are an integral part of these condensed consolidated financial statements.

PROGRAMMER'S PARADISE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

	Three months Ended March 31,	
Cash flows from operating activities	$ 591	$ 300
Net income		
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	69	57
Provision for doubtful accounts	55	27
Deferred income taxes	360	-
Share-based compensation expense	4	-
Changes in operating assets and liabilities:		
Accounts receivable	2,386	(111)
Inventory	482	140
Prepaid expenses and other current assets	60	83
Accounts payable and accrued expenses	(4,040)	285
Net change in other assets and liabilities	(23)	-
Net cash (used in) provided by operating activities	(56)	781
Cash flows from investing activities:		
Purchases of available-for-sale securities	(4,080)	(4,225)
Redemptions of available-for-sale securities	3,950	4,000
Capital expenditures	(172)	(248)
Net cash used in investing activities	(302)	(473)
Cash flows from financing activities:		
Dividend paid	(519)	(425)
Proceeds from exercise of stock options	457	346
Net cash used in financing activities	(62)	(79)
Effect of foreign exchange rate on cash	11	(10)
Net (decrease) increase in cash and cash equivalents	(409)	219
Cash and cash equivalents at beginning of period	7,369	4,888
Cash and cash equivalents at end of period	$ 6,960	$ 5,107

The accompanying notes are an integral part of these condensed consolidated financial statements.

1. The accompanying unaudited condensed consolidated financial statements of Programmer's Paradise, Inc. and its subsidiaries (collectively, the "Company") have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements.

   The preparation of these financial statements requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, the Company evaluates its estimates, including those related to product returns, bad debts, inventories, investments, intangible assets, income taxes, contingencies and litigation. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. In the opinion of the Company's management, all adjustments that are of a normal recurring nature, considered necessary for fair presentation, have been included. Actual results may differ from these estimates under different assumptions or conditions. The unaudited condensed consolidated statements of income for the interim periods are not necessarily indicative of results for the full year. For further information, refer to the consolidated financial statements and notes thereto included in the Company's annual report on Form 10-K filed with the Securities Exchange Commission for the year ended December 31, 2005.

2. Assets and liabilities of the Company's Canadian subsidiary have been translated at current exchange rates, and related revenues and expenses have been translated at average rates of exchange in effect during the period. The revenue from our Canadian operations in the first three months of 2006 increased by $1.9 million to $5.9 million as compared to the first three months of 2005.

3. Cumulative translation adjustments and unrealized gains (losses) on available-for-sale securities have been classified within other comprehensive income, which is a separate component of stockholders' equity in accordance with FASB Statement No. 130, "Reporting Comprehensive Income".

4. The Company records revenues from sales transactions when title to products sold passes to the customer. The Company's shipping terms dictate that the passage of title occurs upon receipt of products by the customer. The majority of the Company's revenues relates to physical products and is recognized on a gross basis with the selling price to the customer recorded as net sales with the acquisition cost of the product to the Company recorded as cost of sales. At the time of sale, the Company also records an estimate for sales returns based on historical experience. Certain software maintenance products, third party services and extended warranties sold by the Company (for which the Company is

not the primary obligor) are recognized on a net basis in accordance with Staff Accounting Bulletin (SAB) No. 101 and No. 104, "Revenue Recognition" and Emerging Issues Task Force (EITF) 99-19, "Reporting Revenue Gross as a Principal versus Net as an Agent". Accordingly, such revenues are recognized in net sales either at the time of sale or over the contract period, based on the nature of the contract, at the net amount retained by the Company, with no cost of goods sold.

In accordance with EITF 00-10, "Accounting for Shipping and Handling Fees and Costs", the Company records freight billed to its customers as net sales and the related freight costs as a cost of sales. Vendor rebates and price protection are recorded when earned as a reduction to cost of sales or merchandise inventory, as applicable. Cooperative reimbursements from vendors, which are earned and available, are recorded in the period the related advertising expenditure is incurred. Cooperative reimbursements are recorded as net sales in accordance with EITF 02-16, "Accounting for Consideration Received from a Vendor by a Customer (Including a Reseller of the Vendor's Products)".

5. Investments in available-for-sale securities at March 31, 2006 were (in thousands):

	Cost	Market value	Unrealized Gain (loss)
U.S. Government Securities	$ 6,926	$ 6,927	$ 1
Corporate Bonds & Other	$ 1,097	$ 1,094	$ (3)
Total Marketable Securities	$ 8,023	$ 8,021	$ (2)

The cost and market value of the Company's investments at March 31, 2006 by contractual maturity were (in thousands):

	Cost	Estimated Fair Value
Due in one year or less	$8,023	$8,021

6. Basic EPS is computed by dividing net income by the weighted average number of shares outstanding during the period. Diluted EPS is computed considering the potentially dilutive effect of outstanding stock options. A reconciliation of the numerators and denominators of the basic and diluted per share computations follows (in thousands, except per share data):

	Three months ended March 31, 2006	2005
Numerator:		
Net Income	$591	$300
Denominator:		
Weighted average shares (Basic)	4,101	3,922
Dilutive effect of outstanding options	353	523
Weighted average shares including assumed conversions (Diluted)	4,454	4,445
Basic net income per share	$0.14	$0.08
Diluted net income per share	$0.13	$0.07

Changes during 2006 in options outstanding for the combined plans were as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
Outstanding at January 1, 2006	892,890	$ 6.46	-
Granted in 2006	-	-	-
Canceled in 2006	-	-	-
Exercised in 2006	(148,427)	3.08	-
Outstanding at March 31, 2006	744,463	7.14	7.3
Exercisable at March 31, 2006	739,473	7.17	7.3

7. On February 22, 2006 our Board of Directors declared a quarterly dividend of $.13 per share on our common stock payable April 21, 2006 to shareholders of record on April 3, 2006. Our Board intends to periodically review the amount and frequency of future payments, if any, in light of the Company's operations and need for capital. The dividend is reflected as a reduction of Additional Paid in Capital.

8. The Company had two major vendors that accounted for 16.7% and 35.6% of total purchases, respectively, during the quarter ended March 31, 2006. The Company had the same two major vendors that accounted for 25.1% and 28.5% of total purchases, respectively, during the quarter ended March 31, 2005. The Company had one major customer that accounted for 10% of total net sales during the quarter ended March 31, 2006, and 2.4% of total net accounts receivable as of March 31, 2006. The Company had one major customer that accounted for 12.3% of total net sales during the quarter ended March 31, 2005.

9. For the quarter ended March 31, 2006, the Company recorded a provision for income taxes of $400,000, which consists of a provision of $387,000 for U.S. federal income taxes as well as a $68,000 provision for state and local taxes and $40,000 for Canadian taxes partly offset by a deferred tax benefit of $95,000. For the quarter ended March 31, 2005, the Company recorded a provision for income taxes of $200,000, which consisted of a provision of $210,000 for U.S. federal income taxes as well as a $20,000 provision for U.S. state taxes partly offset by a benefit of $30,000 for Canadian taxes.

As of March 31, 2006, the Company had a U.S. deferred tax asset of approximately $4.4 million reflecting, in part, a benefit of $2.4 million in U.S. federal and state tax loss carry forwards, which will expire in varying amounts between 2006 and 2025. The full realization of the tax benefit associated with the carry forwards depends predominantly upon the Company's ability to generate taxable income during the carry forward period.

10. The company has shareholder-approved stock incentive plans for employees and directors. Prior to January 1, 2006, the Company accounted for these plans under the recognition and measurement provisions of Accounting Principles Board Opinion ("APB") No.25, "Accounting for Stock Issued to Employees" and related interpretations, as permitted by Statement of Financial Accounting Standards ("SFAS" or "Statement") No. 123, "Accounting for Stock-Based Compensation. Effective January 1, 2006, we adopted SFAS No. 123(R), "Share-Based Payment," using the modified prospective transition

method. Under the modified prospective transition method, recognized compensation cost for the three months ended March 31, 2006 includes 1) compensation cost for all share-based payments granted prior to, but not yet vested as of, December 31, 2005, based on the grant date fair value estimated in accordance with the original provisions of Statement 123; and 2) compensation cost for all share-based payments granted on or after December 31, 2005, based on the grant date fair value estimated in accordance with Statement 123(R). In accordance with the modified prospective method, we have not restated prior period results.

For the three months ended March 31, 2006, we recognized share-based compensation cost of approximately $4,000 which was included in general and administrative expenses. The Company did not capitalize any share-based compensation cost.

There were no options granted for the three month period ended March 31, 2005, and therefore no effect if the Company had applied the fair value recognition provisions of SFAS No. 123 to stock-based employee compensation for the three months ended March 31, 2005.

11. SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," requires that public companies report profits and losses and certain other information on their "reportable operating segments" in their annual and interim financial statements. The internal organization used by our Chief Operating Decision Maker (CODM) to assess performance and allocate resources determines the basis for our reportable operating segments. Our CODM is our Chief Executive Officer.

As from January 1, 2006 we have organized our company into two reportable operating segments -- the "Programmer's Paradise" segment, which sells technical software, hardware and services directly to end-users (such as individual programmers, corporations, government agencies, and educational institutions) and the "Lifeboat" segment, which distributes technical software to corporate resellers, VARs, consultants and systems integrators.

As permitted by SFAS No. 131, we have utilized the aggregation criteria in combining our operations in Canada with the domestic segments because they provide the same products and services to similar clients and are considered together when the CODM decides how to allocate resources.

Segment income is based on segment revenue less the respective segments cost of revenues as well as segment direct costs (including such items as payroll costs and payroll related costs, such as profit sharing, incentive awards and insurance) and excluding general and administrative expenses not attributed to a business unit. The Company only identifies accounts receivable and inventory by segment as shown below as "Selected Assets"; it does not allocate its other assets, including capital expenditures by segment. The following segment reporting information of the Company is provided (in thousands):

	Three months ended March 31, 2006	2005
Revenue:		
Programmer's Paradise	$ 12,305	$ 14,037
Lifeboat	23,057	16,132
	35,362	30,169
Gross Profit:		
Programmer's Paradise	$ 1,848	$ 1,960
Lifeboat	1,996	1,469
	3,844	3,429
Direct Costs:		
Programmer's Paradise	$ 915	$ 1,080
Lifeboat	480	471
	1,395	1,551
Segment Income:		
Programmer's Paradise	933	880
Lifeboat	1,516	998
Segment Income	2,449	1,878
General and administrative	1,572	1,434
Interest income	113	67
Foreign currency translation gain (loss)	1	(11)
Income before taxes	$ 991	$ 500
Selected Assets By Segment		
Programmer's Paradise	6,739	7,563
Lifeboat	13,292	7,916
Segment Selected Assets	20,031	15,479

Consolidated total other assets include corporate assets of $21,202 and $17,931 at March 31, 2006 and 2005, respectively.

12. Certain reclassifications have been made to the prior year financial statement in order to conform to current year presentation.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth under the heading "Certain Factors Affecting Operating Results" and elsewhere in this report. The following discussion should be read in conjunction with the consolidated financial statements and related notes included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission for the year ended December 31, 2005.

Overview

As from January 1, 2006 we have organized our company into two reportable operating segments -- the "Programmer's Paradise" segment, which sells technical software, hardware and services directly to end-users (such as individual programmers, corporations, government agencies, and educational institutions) and the "Lifeboat" segment, which distributes technical software to corporate resellers, VARs, consultants and systems integrators.

The Company's sales and results of operations have fluctuated and are expected to continue to fluctuate on a quarterly basis as a result of a number of factors, including: the condition of the software industry in general; shifts in demand for software products; industry shipments of new software products or upgrades; the timing of new merchandise and catalog offerings; fluctuations in response rates; fluctuations in postage, paper, shipping and printing costs and in merchandise returns; adverse weather conditions that affect response, distribution or shipping; shifts in the timing of holidays; and changes in the Company's product offerings. The Company's operating expenditures are based on sales forecasts. If revenues do not meet expectations in any given quarter, operating results may be materially adversely affected.

Results of Operations

The following table sets forth for the periods indicated certain financial information derived from the Company's consolidated statements of income expressed as a percentage of net sales. This comparison of financial results is not necessarily indicative of future results:

	Three months ended March 31, 2006	2005
Net sales	100.0%	100.0%
Cost of sales	89.1	88.6
Gross profit	10.9	11.4
Selling, general and administrative expenses	8.4	9.9
Income from operations	2.5	1.5
Interest income, net	0.3	0.2
Realized foreign currency exchange gain(loss)	-	-
Income before income taxes	2.8	1.7
Provision for income taxes	1.1	0.7
Net income	1.7%	1.0%

Net Sales

Net sales for the quarter ending March 31, 2006 were $35.4 million compared with $30.2 million in the first quarter of 2005, a 17% increase. Total sales for our Programmer's Paradise division were $12.3 million compared to $14.0 million in the first quarter of 2005, representing a 12% decrease. Total sales for our Lifeboat division were $23.1 million compared to $16.1 million in the first quarter of 2005, representing a 43% increase.

Sales from our Lifeboat division showed strong growth. The 43% increase in net sales was mainly a result of our continued focus on expanding the virtual infrastructure-centric business strategy as well as strengthening our account penetration.

Sales from our Programmer's Paradise division decreased. The 12% decrease in net sales was mainly a result of our renewed focus on gross profit margins as well as a focus on net profitability. Programmer's Paradise concentrated on its core business of marketing and selling software, tools and components to the software development community while shifting away from widely available computing products, which are typically low margin products.

Gross Profit

Gross Profit for the quarter ending March 31, 2006 was $3.8 million compared with $3.4 million in the first quarter of 2005, a 12% increase. Total gross profit for our Programmer's Paradise division was $1.8 million compared to $2.0 million in the first quarter of 2005, representing a 6% decrease. Total gross profit for our Lifeboat division was $2.0 million compared to $1.5 million in the first quarter of 2005, representing a 36% increase.

Gross profit margin, as a percentage of net sales, for the quarter ending March 31, 2006 was 10.9% compared to 11.4% in the first quarter of 2005. Gross profit margin for our Programmer's Paradise division was 15.0% compared to 14.0% in the first quarter of 2005. Gross profit margin for our Lifeboat division was 8.7% compared to 9.1% in the first quarter of 2005.

The increase in gross profit dollars and the decrease in gross profit margin as a percentage of net sales are primarily caused by the aggressive sales growth within our Lifeboat division. Gross profit margin for our Lifeboat division was 8.7% compared to 15.0% for our Programmer's Paradise division in the first quarter of 2006. The slight decrease in gross margin of our Lifeboat division to 8.7% from 9.1% in the first quarter of 2005 mainly reflects the competitive nature of our business. Our Lifeboat division has won many large bids based on our aggressive pricing and we plan to continue to do so. The increase in gross margin of our Programmer's Paradise division was primarily due to a higher level of vendor incentives due to attainment of rebate programs and our renewed focus on the Programmer's Paradise's division's core business of marketing and selling software, tools and components to the software development community while shifting away from widely available computing products, which are typically low margin products.

On a forward-looking basis, gross profit margin in future periods may be less than that achieved in 2005. We have several initiatives to increase gross margin percentages, including increased management control over pricing, a focus on high margin products and/or markets and selling services. However, we do not expect these initiatives to have an immediate positive impact on our gross margin percentages. The objective of these initiatives is to slow the decline in our gross margin percentage. We foresee possible pressure on gross profit margins as a result of various factors, including the continued participation by vendors in inventory price protection and rebate programs, product mix, including software maintenance and third party services, pricing strategies, market conditions and other factors, any of which could result in a reduction of gross profit margins below those realized in the first quarter of 2006.

Selling, General and Administrative Expenses

Total selling, general, and administrative ("SG&A") expenses for the first quarter of 2006 were stable at $3.0 million compared to $3.0 million in the first quarter of 2005. As a percentage of net sales, SG&A expenses for the first quarter of 2006 were 8.4% compared to 9.9% in the first quarter of 2005.

The Company expects that its SG&A expenses, as a percentage of net sales, may vary by quarter depending on changes in sales volume, as well as the levels of continuing investments in key growth initiatives. We have several initiatives in place to increase control of our SG&A expenses. Our SG&A expenses have increased over 20% on a yearly basis for the last two fiscal years. The objective of these initiatives is to slow this continued increase in SG&A expenses. There can be no assurances that these initiatives will actually result in a slower increase in SG&A expenses in 2006 as compared to 2005.

Foreign Currency Transactions Gain (Loss)

The realized foreign exchange gain for the quarter ended March 31, 2006 was $1,000 compared to a loss of $11,000 for the same period in 2005. Foreign exchange gains and losses primarily result from our trade activity with our Canadian subsidiary. Although the Company does maintain bank accounts in Canadian currencies to reduce currency exchange fluctuations, the Company is, nevertheless, subject to risks associated with such fluctuations.

Income Taxes

For the quarter ended March 31, 2006, the Company recorded a provision for income taxes of $400,000, which consists of a provision of $387,000 for U.S. federal income taxes as well as a $68,000 provision for state and local taxes and $40,000 for Canadian taxes offset by a deferred tax benefit of $95,000. For the quarter ended March 31, 2005, the Company recorded a provision for income taxes of $200,000, which consisted of a provision of $210,000 for U.S. federal income taxes as well as a $20,000 provision for U.S. state taxes offset by a benefit of $30,000 for Canadian taxes.

As of March 31, 2006, the Company had a U.S. deferred tax asset of approximately $4.4 million reflecting, in part, a benefit of $2.4 million in U.S. federal and state tax loss carry forwards, which will expire in varying amounts between 2006 and 2025. The full realization of the tax benefit associated with the carry forwards depends predominantly upon the Company's ability to generate taxable income during the carry forward period.

Liquidity and Capital Resources

During the first three months of 2006 our cash and cash equivalents decreased by $0.4 million to $7.0 million at March 31, 2006, from $7.4 million at December 31, 2005. During the first quarter of 2006, net cash used by operating activities amounted to $0.1 million; net cash used in investing activities amounted to $0.3 million and net cash used in financing activities amounted to $0.1 million.

Net cash used by operating activities in the first three months of 2006 was $0.1 million and primarily resulted from our net income excluding non-cash charges which totaled $1.1 million and a $2.4 million decrease in accounts receivable and a $0.5 million decrease in inventory. This was offset by a $4.0 million decrease in accounts payable, which was mainly related to our normal cycle of payments.

Net cash used in investing activities in the first three months of 2006 amounted to $0.3 million. In light of the current low interest rates on our short-term savings accounts we decided to invest an additional net $0.1 million in U.S. government securities. These securities are highly rated and highly liquid. These securities are classified as available-for-sale securities in accordance with SFAS 115 "Accounting for Certain Investments in Debt and Equity Securities", and as a result unrealized gains and losses are reported as part of other comprehensive income (loss). The other $0.2 million consisted of capital expenditures.

Net cash used for financing activities in the first three months of 2006 was $0.1 million which consisted of the $0.5 million payment of our declared dividends, which was partly offset by the proceeds from the exercise of options.

The Company's current and anticipated use of its cash and cash equivalents is, and will continue to be, to fund working capital, operational expenditures, the stock buyback program and dividends if declared by the board of directors. Our business plan furthermore contemplates to continue to use our cash to pay vendors promptly in order to obtain more favorable conditions.

We believe that the funds held in cash and cash equivalents will be sufficient to fund our working capital and cash requirements for at least the next 12 months. We currently do not have any credit facility and, in the foreseeable future, we do not plan to enter into an agreement providing for a line of credit.

Contractual Obligations as of March 31, 2006 were summarized as follows:

(Dollars in thousands)

	Payment due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long term debt	-	-	-	-	-
Capital Lease Obligations	-	-	-	-	-
Operating Leases	$992	$609	$377	$6	-
Purchase Obligations	-	-	-	-	-
Other Long term Obligations	-	-	-	-	-
Total Contractual Obligations	$992	$609	$377	$6	-

Operating leases primarily relates to the lease of the space used for our operations in Shrewsbury, New Jersey, Mississauga, Canada and Hauppauge, New York. The commitments for operating leases include the minimum rent payments and a proportionate share of operating expenses and property taxes.

The Company is not committed by lines of credit, standby letters of credit, has no standby repurchase obligations or other commercial debt commitments. The Company is not engaged in any transactions with related parties.

As of March 31, 2006, we did not have any off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Regulation S-K.

Critical Accounting Policies and Estimates

The Company's discussion and analysis of its financial condition and results of operations are based upon the Company's consolidated financial statements that have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. The Company recognizes revenue from the sale of software and hardware for microcomputers, servers and networks upon shipment or upon electronic delivery of the product. The Company expenses the advertising costs associated with producing its catalogs. The costs of these catalogs are expensed in the same month the catalogs are mailed.

On an on-going basis, the Company evaluates its estimates, including those related to product returns, bad debts, inventories, investments, intangible assets, income taxes, restructuring and contingencies and litigation.

The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The Company records revenues from sales transactions when title to products sold passes to the customer. The Company's shipping terms dictate that the passage of title occurs upon receipt of products by the customer. The majority of the Company's revenues relates to physical products and is recognized on a gross basis with the selling price to the customer recorded as net sales with the acquisition cost of the product to the Company recorded as cost of sales. At the time of sale, the Company also records an estimate for sales returns based on historical experience. Certain software maintenance products, third party services and extended warranties sold by the Company (for which the Company is not the primary obligor) are recognized on a net basis in accordance with Staff Accounting Bulletin (SAB) No. 101 and No. 104, "Revenue Recognition" and Emerging Issues Task Force (EITF) 99-19, "Reporting Revenue Gross as a Principal versus Net as an Agent". Accordingly, such revenues are recognized in net sales either at the time of sale or over the contract period, based on the nature of the contract, at the net amount retained by the Company, with no cost of goods sold.

In accordance with EITF 00-10, "Accounting for Shipping and Handling Fees and Costs", the Company records freight billed to its customers as net sales and the related freight costs as a cost of sales. Vendor rebates and price protection are recorded when earned as a reduction to cost of sales or merchandise inventory, as applicable. Cooperative reimbursements from vendors, which are earned and available, are recorded in the period the related advertising expenditure is incurred. Cooperative reimbursements are recorded as net sales in accordance with EITF 02-16, "Accounting for Consideration Received from a Vendor by a Customer (Including a Reseller of the Vendor's Products)".

The Company believes the following critical accounting policies used in the preparation of its consolidated financial statements affect its more significant judgments and estimates. The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. If the financial condition of the Company's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The Company writes down its inventory for estimated obsolescence or unmarketable inventory equal to the difference between the cost of inventory and the estimated market value based upon assumptions about future demand and market conditions. If actual market conditions are less favorable than those projected by management, additional inventory write-offs may be required.

Certain Factors Affecting Operating Results

This report includes "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Statements in this report regarding future events or conditions, including statements regarding industry prospects and the Company's expected financial position, business and financing plans, are forward-looking statements. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. We strongly urge current and prospective investors to carefully consider the cautionary statements and risks contained in this report. Such risks include, but are not limited to, the continued acceptance of the Company's distribution channel by vendors and customers, the timely availability and acceptance of new products, contribution of key vendor relationships and support programs, as well as factors that affect the software industry in general.

The Company operates in a rapidly changing business, and new risk factors emerge from time to time. Management cannot predict every risk factor, nor can it assess the impact, if any, of all such risk factors on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those projected in any forward-looking statements.

Accordingly, forward-looking statements should not be relied upon as a prediction of actual results and readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

The statement concerning future sales and future gross profit margin are forward looking statements involving certain risks and uncertainties such as availability of products, product mix, market conditions and other factors, which could result in a fluctuation of sales below recent experience.

Stock Volatility. The technology sector of the United States stock markets has experienced substantial volatility in recent periods. Numerous conditions, which impact the technology sector or the stock market in general or the Company in particular, whether or not such events relate to or reflect upon the Company's operating performance, could adversely affect the market price of the Company's Common Stock.

Furthermore, fluctuations in the Company's operating results, announcements regarding litigation, the loss of a significant vendor, increased competition, reduced vendor incentives and trade credit, higher postage and operating expenses, and other developments, could have a significant impact on the market price of the Company's Common Stock.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

In addition to its activities in the United States, the Company also conducts business in Canada. We are subject to general risks attendant to the conduct of business in Canada, including economic uncertainties and foreign government regulations. In addition, the Company's Canadian business is subject to changes in demand or pricing resulting from fluctuations in currency exchange rates or other factors.

The Company's $8.0 million investments in marketable securities are only in highly rated and highly liquid corporate bonds and U.S. government Securities. The remaining cash balance is invested in short-term savings accounts with our primary bank, The Bank of New York. As such, the risk of significant changes in the value of our cash invested is minimal.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures. As required by Rule 13a-15(b) under the Exchange Act, our management carried out an evaluation of the effectiveness of the design and operation of the Company's "disclosure controls and procedures" as of March 31, 2006. This evaluation was carried out under the supervision and with the participation of our management, including our Chief Executive Officer (principal executive officer) and Chief Accounting Officer (principal financial officer). As defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, disclosure controls and procedures are controls and other procedures of the Company that are designed to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including our Chief Executive Officer and Chief Accounting Officer, as appropriate, to allow timely decisions regarding required disclosure.

Based upon that evaluation, our Chief Executive Officer and Chief Accounting Officer concluded that our disclosure controls and procedures were effective as of March 31, 2006. It should be noted that the design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote.

Changes in Internal Control Over Financial Reporting. As required by Rule 13a-15(d) under the Exchange Act, our management, including our Chief Executive Officer and Chief Accounting Officer, also conducted an evaluation of our internal control over financial reporting to determine whether any change occurred during the quarter ended March 31, 2006, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. Based on that evaluation during the quarter ended March 31, 2006 there has been no change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 6. Exhibits

(a)	Exhibits.
10.43	Employment Agreement, dated January 12, 2006, between the Company and Simon F. Nynens.
31.1	Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, of Simon F. Nynens, the Chief Executive Officer (principal executive officer) of the Company.
31.2	Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, of Kevin T. Scull, the Chief Accounting Officer (principal financial officer) of the Company.
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of Simon F. Nynens, the Chief Executive Officer (principal executive officer) of the Company.
32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of Kevin T. Scull, the Chief Accounting Officer (principal financial officer) of the Company.

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 thereunto duly authorized.

	PROGRAMMER'S PARADISE, INC.
May 12, 2006	By: /s/ Simon F. Nynens
Date	Simon F. Nynens, President and Chief Executive Officer
May 12, 2006	By: /s/ Kevin T. Scull
Date	Kevin T. Scull, Vice President and Chief Accounting Officer

Exhibit 31.1

CERTIFICATION

I, Simon F. Nynens, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Programmer's Paradise, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based upon such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 12, 2006

/s/ Simon F. Nynens

Simon F. Nynens
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Kevin T. Scull, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Programmer's Paradise, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based upon such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 12, 2006

/s/ Kevin T. Scull

Kevin T. Scull
Vice President and Chief Accounting Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Programmer's Paradise, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Simon F. Nynens, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Simon F. Nynens

Simon F. Nynens
President and Chief Executive Officer (Principal Executive Officer)
May 12, 2006

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Programmer's Paradise, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kevin T. Scull, Chief Accounting Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Kevin T. Scull

Kevin T. Scull
Vice President and Chief Accounting Officer (Principal Financial Officer)
May 12, 2006

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 10.43

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT, dated as of January 12, 2006 by and between Programmer's Paradise, Inc., a Delaware corporation with offices at 1157 Shrewsbury Avenue, Shrewsbury, New Jersey 07702-4321 (the "Corporation") and Simon F. Nynens, an individual residing at 1581 Holly Boulevard, Manasquan, New Jersey 08736 (the "Executive").

In consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, the parties hereto hereby agree as follows:

1. Employment. The Corporation hereby agrees to employ the Executive in an executive capacity, and the Executive hereby accepts and agrees to such employment commencing as of the date hereof, upon the terms and conditions hereinafter set forth.

2. Term. The term of the Executive's employment under this Agreement shall commence as of the date hereof and shall continue until the close of business on June 30, 2007 and shall automatically be renewed for twelve (12) month periods thereafter unless either party gives the other at least three (3) months prior written notice of termination, unless sooner terminated as provided elsewhere in the Agreement (the "Term").

3. Duties and Services. The Executive agrees to serve the Corporation as President and Chief Executive Officer of the corporation and shall also serve such of its subsidiaries and affiliated companies as may be designated by the Corporation, faithfully, diligently and to the best of his ability, subject to and under the direction and control of the Board of Directors of the Corporation, devoting his entire business time, energy and skill to such employment, and to perform from time to time such executive services, advisory or otherwise, as the Board of Directors shall request, and to act in such capacities for the Corporation and for any of its subsidiaries or affiliated companies as the Board of Directors shall request without further compensation other than that for which provision is made in this Agreement.

4. Compensation.

(a) The Corporation agrees to pay to the Executive, and the Executive agrees to accept, a basic salary for all his services (the "Salary") at the rate of $250,000 per annum, payable in accordance with the Corporation's standard payroll policies from time to time. The executive is eligible to earn an annual bonus pursuant to a bonus plan to be adopted by the board of directors.

(b) Should the stockholders approve a new long-term incentive plan consisting of stock options, restricted stock, and/or other equity-based compensation ("LTIP"), the Executive will be eligible to participate in the LTIP based upon and consistent with the Company's customary level of participation for a President and CEO, according to a specific program to be developed. The level of the Executive's participation will be at least equal to options on 200,000 shares or some equivalent.

(c) If there shall be a Change of Control prior to the termination of the employment period, the Corporation agrees to provide the Executive a lump-sum equal to 2.9 times his then annual salary and actual incentive bonus earned the year prior to the change of control.

(d) If there shall be a Change of Control prior to the grant of the options referred to in Section 4 (b), the executive will be entitled to a lump-sum flat dollar bonus equal to the increase in closing share price from January 12, 2006 to the date of the Change of Control multiplied by 200,000.

(e) If an LTIP is approved and there is a price increase of common stock prior to the grant of the options referred to in Section 4 (b), the Executive will be entitled to a performance bonus equal to the increase (if any) in the closing share price from January 12, 2006 to the date of grant of the options multiplied by 200,000. Such amount shall be payable in five (5) equal quarterly installments with the first payment made on the first business day of the month following the month of the grant of the options and the subsequent payments made on the first business day of the 4^{th}, 7^{th}, 10^{th} and 13^{th} month following the grant of the options, provided that the executive has not given written notice of termination to the Corporation prior to such date.

(f) For purposes hereof, a "Change of Control" shall be deemed to have occurred in the event of any of the following: (i) any person or entity makes a tender or exchange offer for shares of the Corporation's Common Stock pursuant to which such person or entity acquires a majority of the issued and outstanding shares of the Corporation's Common Stock, (ii) the Corporation merges or consolidates with or into another corporation or corporations, unless immediately after such merger or consolidation those persons and entities who immediately prior to such transaction were stockholders of the Corporation are entitled to vote in the election of directors, or otherwise have the right to elect, a majority of the directors of the surviving Corporation, (iii) the Corporation sells, transfers or otherwise disposes of all or substantially all of its assets, other than to a direct or indirect subsidiary, (iv) any person or entity acquires a majority of the Corporation's issued and outstanding voting securities and shall be entitled to vote in the election of directors or otherwise have the right to elect, a majority of the directors of the Corporation.

5. Employee Benefits.

(a) The Corporation shall reimburse the Executive for the reasonable business expenses incurred by him for or on behalf of the Corporation in furtherance of the performance of his duties hereunder. Such reimbursement shall be subject to receipt by the Corporation from the Executive of such expense statements and such vouchers and other reasonable verification as the Corporation shall require to satisfactorily evidence such expenses, and shall also be subject to such policies as the Corporation shall establish from time to time.

(b) The Executive shall be entitled to participate, in accordance with the terms thereof, in employee benefit plans and programs maintained for the executives of the Corporation, including, without limitation, any health, hospitalization and medical insurance programs and in any pension or retirement or other similar plans or programs. The foregoing shall not be construed to require the Corporation to establish any such plans or programs, or to prevent the Corporation from modifying or termination any such plans or programs once established.

(c) The Executive shall be entitled to six (6) weeks of vacation each employment year during the term of this Agreement, taken consecutively or in segments, subject to the effective discharge of the duties of the Executive hereunder.

(d) During the term of the Executive's employment hereunder, the Corporation shall afford the Executive the use of an automobile, chosen by the Executive and reasonably satisfactory to the Compensation Committee, a computer and a cellular telephone. The Corporation shall bear the cost of maintaining the automobile in good and efficient working order and repair, shall be responsible for normal upkeep thereof and shall bear the cost of incidental operating expenditures such as gasoline, oil and tires. The Corporation further agrees to secure and pay for insurance of such type and in such amounts as the Corporation may deem appropriate, such insurance coverage to include liability coverage for the benefit of the Executive. The Corporation shall also bear the cost of a service contract for the cellular telephone, as well as all monthly charges and charges in respect of calls incident to the performance of the duties of the Executive and tax and related charges.

6. Termination of Benefits.

(a) Notwithstanding anything to the contrary contained herein, the Executive's employment with the Corporation, as well as the Executive's right to any compensation which thereafter otherwise would accrue to him hereunder or in connection therewith, shall terminate upon the earliest to occur of the following events:

(i) The death or disability (as defined below) of the Executive,
(iii) The expiration of the Term of this Agreement,
(iii) The executive's termination of such employment, or
(iv) Upon delivery of written notice, with or without "cause" (as defined below), to the Executive from the Corporation of such termination.

(b) For the purpose of this Section 6, (i) the term "cause" is defined as (A) the commission by the Executive of a felony or an offense involving moral turpitude, the Executive's engaging in theft, embezzlement, fraud, obtaining funds or property under false pretenses, or similar acts of misconduct with respect to the property of the Corporation or its employees, stockholders, affiliates, customers, licensees, licensors or suppliers, (B) the repeated failure by the Executive to perform his duties hereunder or comply with reasonable policies or directives of the Board of Directors of the corporation, or (C) the breach of this Agreement or the Conditions of Employment by the Executive in any material respect, and (ii) the Executive shall be deemed "disabled" if, at the Corporation's option, it gives notice to the Executive or his representative that due to a disabling mental or physical condition, he has been prevented, for a continuous period of 90 days during the Term or for an aggregate of 120 days during any six month period during the Term, from substantially performing those duties which he was required to perform pursuant to the provisions of this Agreement prior to incurring such disability.

(c) In the event of and upon the termination by the Corporation of the employment of the Executive under this Agreement without "cause" or the giving by the Corporation or Executive of notice of non-renewal of this Agreement pursuant to Section 2, in addition to the Salary and other compensation (including cash and stock bonuses, incentive and performance compensation) earned hereunder and unpaid or not delivered through the date of termination and any benefits referred to in Section 5(b) hereof in which the Executive has a vested right under the terms and conditions of the plan or program pursuant to which such benefits were granted (without regard to such termination), (i) the Corporation shall pay the Executive a cash payment (the "Severance Payment") equal to 1 year salary, (ii) all stock options and stock awards shall vest and become exercisable immediately prior to termination and remain exercisable through their original terms with all rights, and (iii) the Executive shall be entitled to purchase the automobile used by him, as contemplated by Section 5(d) hereof, at the "buy-out" price of any lease of the Corporation with respect to such automobile, or if such automobile shall be owned by the Corporation, at the fair market value of such automobile as of the date of payment. In the event of termination of this Agreement by the Corporation by reason of the death or disability of the Executive, the Corporation shall not be obligated to make the Severance Payment to the Executive if the corporation provided the Executive with life insurance or disability insurance, as the case may be, payable to one or more beneficiaries designated by the Executive at the time of death or disability in an amount providing to the Executive a benefit at least equal thereto. After termination of employment for any reason other than death of the Executive, the Corporation shall continue to provide all benefits subject to COBRA at its expense for the maximum required COBRA period. The Severance Payment shall be paid to the Executive or his estate in twelve (12) consecutive, equal monthly installments, on the fifteenth day of each calendar month commencing during the month next following the month in which the Executive is no longer employed by the Corporation, and shall be in lieu of any other claim to severance or similar payments or benefits which the Executive may otherwise have or make. Without limiting any other rights or remedies which the Corporation may have, it is understood that the Corporation shall be under no further obligation to make any such severance payments and shall be entitled to be reimbursed therefore by the Executive or his estate if the Executive violates any of the covenants set forth in the Conditions of Employment attached as Exhibit A hereto. In the event that the Severance Payment shall become payable to the Executive, the Executive shall not be required, either in mitigation of damages or by the terms of any provisions of this Agreement or otherwise, to seek or accept other employment, and if the Executive does accept other employment, any benefits or payment under this Agreement shall not be reduced by any compensation earned or other benefits received as a result of such employment.

7. Deductions and Withholding. The Executive agrees that the Corporation shall withhold from any and all payments required to be made to the Executive pursuant to this Agreement (including the travel allowance) all federal, state, local and/or taxes which are required to be withheld in accordance with applicable statutes an/or regulations from time to time.

8. Non-Solicitation, Restrictive Covenants, Confidentiality and Injunctive Relief.

(a) The Executive shall execute and deliver to and for the benefit of the Corporation, the Conditions of Employment attached as Exhibit A hereto, pertaining, among other matters, to proprietary information, confidentiality obligations, and non-competition obligations, the provisions of which shall be deemed incorporated herein by reference as if set forth herein (the "Conditions of Employment").

(b) The provision of this Section 8 shall survive the termination or expiration of this Agreement, irrespective of the reason therefore, including under circumstances in which the Executive continues thereafter in the employ of the Corporation.

9. Warranty. The Executive warrants and represents that he is not a party to any agreement, contract or understanding, whether of employment or otherwise, which would in any way restrict or prohibit him from undertaking his position as an executive of the Corporation and complying with his obligations in accordance with the terms and conditions of this Agreement and the Conditions of Employment.

10. Insurance. The Executive agrees that the Corporation may from time to time and for the Corporation's own benefit apply for and take out life insurance covering the Executive, either independently or together with others, in any amount and form which the Corporation may deem to be in its best interests. The executive is entitled to a term life insurance to be approved by the Compensation committee. The Corporation shall own all rights in such insurance and in the cash values and proceeds thereof and the Executive shall not have any right, title or interest therein. The Executive agrees to assist the Corporation, at the Corporation's expense, in obtaining any such insurance by, among things, submitting to customary examinations and correctly preparing, signing and delivering such applications and other documents as reasonable may be required. Nothing contained in this Section 10 shall be construed as a limitation on the Executive's right to procure any life insurance for his own personal needs.

11. Notices. All notices shall be in writing and shall be deemed to have been duly given to a party hereto on the date of such delivery, if delivered personally, or on the third day after being deposited in the mail if mailed via registered or certified mail, return receipt requested, postage prepaid or on the next business day after being sent by recognized national overnight courier service, in the case of the Executive at his current address as set forth in the Corporation's records, and in the case of the Corporation, at its address set forth above.

12. Assignability and Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the heirs, executors, administrators, successors and legal representative of the Executive, and shall inure to the benefit of and be binding upon the Corporation and its successors and assigns. The Executive may not assign, transfer, pledge, encumber, hypothecate or otherwise dispose of this Agreement, or any of his rights or obligations hereunder, and any such attempted delegation or disposition shall be null and void and without effect.

13. Severability. In the event that any provisions of this Agreement would be held to be invalid, prohibited or unenforceable in any jurisdiction for any reason (including, but not limited to, any provision which would be held to be unenforceable because of the scope, duration or area of its applicability), unless narrowed by construction, this Agreement shall, as to such jurisdiction only, be construed as if such invalid, prohibited or unenforceable provision had been more narrowly drawn so as not to be invalid, prohibited or unenforceable (or if such language cannot be drawn narrowly enough, the court making any such determination shall have the power to modify such scope, duration or area or all of them, but only to the extent necessary to make such provision or provision enforceable in such jurisdiction, and such provision shall then be applicable in such modified form). If, notwithstanding the foregoing, any provision of this Agreement would be held to be invalid, prohibited or unenforceable in any jurisdiction, such provision shall be ineffective to the extent of such invalidity, prohibition or unenforceability, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

14. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New Jersey, without regard to principles of conflict of laws and regardless of where actually executed, delivered or performed.

15. Complete Understanding; Counterparts. This Agreement constitutes the complete understanding and supersedes any and all prior agreements and understandings between the parties with respect to its subject matter, and no statement, representation, warranty or covenant has been made by either party with respect thereto except as expressly set forth herein. This Agreement shall not be altered, modified, amended or terminated except by written instrument signed by each of the parties hereto. The Section and paragraph headings contained herein are for convenience only, and are not intended to define or limit the contents of said sections and paragraphs. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

	PROGRAMMER'S PARADISE, INC.	
	By:	/s/ F. Duffield Meyercord
	/s/ Simon F. Nynens	
	Simon F. Nynens	