

.BUZZ IS FOR SALE: BUY YOUR OWN TLD AND SELL PICKS AND SHOVELS – WITH CHRISTA TAYLOR



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Episode 352

Michael Cyger: The new gTLD space is growing and maturing, and like any industry -- consolidation is going to take place. We've already seen the XYZ registry buy .security, .protection and .theatre, and Donuts try to buy Rightside for \$70 million. Today we're going to learn about a TLD that's currently for sale. We'll dig into the vision, finances and opportunity. If you've thought of selling picks and shovels instead of doing the mining yourself as an individual domain name investor, this is a show you should watch. Stay tuned!

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Michael Cyger: Hey Sherpa Network, thank you so much for joining me today. My name is Michael Cyger and I'm the publisher of domainsherpa.com, the website where you can learn how to become a successful domain name investor or entrepreneur directly from the experts. My goal is that you watch

these interviews, you take away strategies, tactics, maybe just ideas, become successful in your own area of expertise and then come back to DomainSherpa and do an interview, giving back to the Sherpa community, what I call the Sherpa Network. You know the saying, "Those who made money in the Gold Rush were the merchants that sold picks and shovels"? Well, today I'm going to have a discussion with a broker in charge of selling the .buzz top level domain. Is this the opportunity you've been waiting for to sell picks and shovels to businesses and individuals instead of investing in individual domain names. We'll find out. I'm pleased to welcome the CEO of DotTBA, Christa Taylor, who's representing dotStrategy Co, the company operating the .buzz top level domain registry. Welcome, Christa.

Christa Taylor: Hi Mike.

Michael Cyger: .buzz.

Christa Taylor: Hi Mike. Thanks.

Michael Cyger: It's good to have you.

Christa Taylor: Thanks. It's good to join you.

Michael Cyger: You know, as the crow flies, we're only, like, I don't know, a hundred miles apart maybe.

Christa Taylor: Yeah, it's Vancouver. Not Victoria, Mike.

Michael Cyger: Christa likes to make fun of me because I went to Victoria. I'm like, "Hey, we're here. Where can I drop off my kids for you to watch"? And she's like, "Wrong city, Mike." So, I know she's close but I'm...I'm geographically challenged as anybody in my family will tell you.

Christa Taylor: Yeah, one's an island. One's not an island. It's...but anyways...

Michael Cyger: Yeah.

Christa Taylor: It's...it's only water. It's all good.

Michael Cyger: It's just water. Alright Christa, I've read the press release that you put out, but can you summarize for me what is being sold with the .buzz registry?

Christa Taylor: It's actually a hundred percent of the shares in dotStrategy Co and dotStrategy Co owns the registry which is .buzz. So, along with the registry you're going to get all the premium names, all the reserve names, all the reoccurring revenues from renewals, you're going to get all the registrations going forward. There's a trademark in there, the .buzz trademark, you're going to get all the contracts that go with the registry. You...you get an up and running business and you're...you're ready to go. So, it's pretty straightforward.

Michael Cyger: And so is...is it a hundred percent of the shares in dotStrategy Co because I can requires, the legal entity, to stay in existence? You know, usually...let me preface this by saying, usually, you know, in the business that I've sold in the past, and a lot of times when businesses are sold from one person to another person, it's the assets that are sold because nobody wants to assume the liability of the legal entity that used to own those assets. It's a way to sort of, you know, shell game, like, if you owed money and you just sell the assets then you don't, you know, the new owner doesn't need to take those accounts payables to the new business, but does ICANN require the legal entity to stay in existence for...for continuity reasons?

Christa Taylor: No, so I don't think ICANN requires that. I, you know, I'm not a hundred percent sure. I'm sure you can move it into another corporation. ICANN does require a corporation for sure.

Michael Cyger: Yup.

Christa Taylor: But this is also for tax purposes and the way Bill has it structured so that's the primary reason. So...

Michael Cyger: Got it. And what is the asking price of the .buzz registry?

Christa Taylor: It's three and a half million but it's a closed, sealed bid, so that's the minimum reserve.

Michael Cyger: Okay, three and a half million dollars Canadian? No. You...you asked...

Christa Taylor: No. Yes.

Michael Cyger: Alright, and it's a sealed bid. So I'm going to ask you about the sealed bid and when it's due and, you know, I...I want to understand at a high level the income opportunity, the expenses associated with running a top level domain, the risks involved. I want to chat with you and...and the opportunity for growth that...that you think is possible with .buzz, but before we do, I want to take a step back and learn a little bit about your background as the broker for this transaction. You're one of the people in the industry that I always look forward to seeing at industry events like the upcoming NamesCon Conference in Las Vegas this coming January. You're going to be there, right?

Christa Taylor: Of course.

Michael Cyger: Of course.

Christa Taylor: Who's not going to NamesCon?

Michael Cyger: And you and I actually met at a conference. Imagine that. Do you remember when we met?

Christa Taylor: I think it was the Santa Monica one, right?

Michael Cyger: Yes, I think so. I think that might have been the very first conference that I went to and I know a lot of people are nervous about going

to conferences because, you know, maybe they don't have a bunch of friends that show up at the conference every year. They don't have partners in the industry. How did I get to know you? I can't remember.

Christa Taylor: I think you were trying to, like, elbow me to get, like, a knife or something underneath that spaceship one.

Michael Cyger: That is...that is, yeah, that's exactly what happened. We didn't eat dinner together and then we were, like, in line for something. It was...it was a fabulous dinner. DOMAIN...that was the DOMAINfest event, right?

Christa Taylor: Yes.

Michael Cyger: It was a fabulous...they took us...I can't remember where it was, I should have looked it up...they took us to this...to this indoor...

Christa Taylor: Space shuttle.

Michael Cyger: ...Massive glass building that had one of the space shuttles inside and we got to eat dinner underneath the space shuttle wing looking up, and they had, like, this string quartet playing. It was pretty phenomenal.

Christa Taylor: Yeah, no, it was...it was actually really cool. So...

Michael Cyger: Yeah, even though you were sitting with me for dessert.

Christa Taylor: Yeah, well yeah, elbowing, eating, similar.

Michael Cyger: Well, what I remember specifically, and, like, when people say, "Oh, do you know Christa Taylor," I'm like, "She ran poker.com."

Christa Taylor: I did.

Michael Cyger: That's a...that's a pretty phenomenal...it's an iconic brand in a massive gambling industry, right? Like, you always talk about, like, as an

individual...individual investor what industries are good for investing and it's always, like, sex, drugs, and gambling, right? Like, whether you personally agree with them or not and you want to invest in them regardless, those are the massive industries. What was poker.com and what was your role there?

Christa Taylor: Obviously poker.com was poker. [inaudible]

Michael Cyger: Online gambling at the time.

Christa Taylor: Sorry?

Michael Cyger: It was online gambling at the time.

Christa Taylor: Yeah it...it was online gambling...gambling and we had...what we're doing is we're selling poker rooms at the same times.

Michael Cyger: Oh.

Christa Taylor: And it's actually a lot trickier than you'd expect because you actually have to fill the rooms and the tables with poker players. So, you can't just have, you know, people will say, "Oh, I want to open up my poker...my own poker room," and, you know, you...they have ten people. It...it doesn't work. You can't run a...a poker site like that. So, and back to your other question, I was...I started off I think as CFO and President, and then later I added CEO and CFO, so pretty much everything.

Michael Cyger: You were pretty much the C-Suite at poker.com.

Christa Taylor: I was. So...

Michael Cyger: And so...so this was early on with online gambling, was it not?

Christa Taylor: Yeah, it was the early days. Everything kept changing. It was always...it was always a new day. You didn't know what you were walking into, which made it fun and interesting and I...I learned a...a ton from it

obviously, and you can't get that learning anywhere else so it was...it was cool.

Michael Cyger: And so, was it...

Christa Taylor: It was right after the .com bust too.

Michael Cyger: Oh, right after? So, it was...it was after 2000?

Christa Taylor: Yep.

Michael Cyger: And it was a multi-million dollar business?

Christa Taylor: Yeah, it was...it did fairly well. So, yeah.

Michael Cyger: And so, you know, I looked at your LinkedIn profile and I see that you're a...I...I don't think you call it a Certified Public Accountant because it's a different designation up in Canada. What's it called?

Christa Taylor: No, we're now CPAs. Certified Public Accountant.

Michael Cyger: Oh, you are CPAs, okay.

Christa Taylor: Yep.

Michael Cyger: And so, you don't see a lot of CPAs running businesses to begin with, and then running gambling businesses. Was that a bit of a stretch for you or do you love the...you know, every day's a new fire to put out?

Christa Taylor: I love the...the whole new fire thing, and you know, I might be an accountant so to speak but I'm not really an accountant I don't think. I run by the numbers for sure but I love that...that rollercoaster.

Michael Cyger: Yeah.

Christa Taylor: And I'm easy to tell anyone that. It's...it's not...it's not for everyone but I...I certainly enjoy it.

Michael Cyger: Yeah, it is not for everyone.

Christa Taylor Yeah.

Michael Cyger: Every day, you know, it's, like, as an entrepreneur, the highs are high and the lows are low.

Christa Taylor: Yes.

Michael Cyger: Yeah. So, after poker.com, what did you move into next?

Christa Taylor: I did a bunch...so I...I was doing my own consulting type of things. So, after poker.com I did asset protection around high value domain names. Let's not go too much further there. I did some software development companies. I did some oil businesses, and then I was doing some apps. Sometimes they overlapped, sometimes they were individuals, so it really...really depend, but it really depend on the business. So...

Michael Cyger: And what was the app business that you...that you started?

Christa Taylor: So, I was doing...I...I did some...my hobbies are wildlife photography so I ended up doing a photo app. So, I started off with one and then I ended up doing another and the iPad was coming out so I...I was one of the first ones to get in on the iPad store when it was first released. So...

Michael Cyger: Wow, and so a lot of people were afraid to get into the app store too early because things are always changing with the app store. I remember the early days and thought about getting in because I was reading these articles about how people developed the fart app or the, you know...you know...

Christa Taylor: The what app?

Michael Cyger: ...Make a face app or whatever, and, like, they were suddenly a millionaire because they sold it for ninety nine cents and they sold a million copies in, like, [inaudible] week. But everything was always changing so again, the highs are high and the lows are low for entrepreneurs based on, you know, what's going on with the industry. Did you find the same? Did you have massive success when you launched your photo app?

Christa Taylor: It...I wouldn't...I don't know if I would say massive success but we did really well. So, you know, Apple was super fast on, you know, fixing things we got. We were highlighted. A whole bunch of magazines published the app. It was...it was just fun. It was a challenge. Now it's a whole different kettle of, you know...

Michael Cyger: Fish.

Christa Taylor: Yeah, so thank you. So, it's completely different and a lot of people will say to me, "Hey, you know, I have this great idea for an app, " and it's like, "Well, even once you get the app there now, you know, you just started."

Michael Cyger: Yeah.

Christa Taylor: Now the work actually begins. You've got to get it out there and the, you know, there's a million apps now so it's...it's very different. So...

Michael Cyger: Yeah, it's tough to break through the noise. And I see pictures behind you on the wall. Are those pictures that you've taken?

Christa Taylor: They are actually.

Michael Cyger: Alright.

Christa Taylor: In [inaudible], in Washington state.

Michael Cyger: You came? We let you into the U.S. to take pictures?

Christa Taylor: Well, there's no wall or fence right now [inaudible].

Michael Cyger: We...I will...I will build a wall myself. So those look nice. I...I...I hope that when this...the video goes to post-production that there's a little bit more of your background so we can see those pictures. Those are very nice pictures. So, how did you find your way from running poker.com which you probably, you know, thought it was a great name but didn't think much beyond that, and then you sort of moved through running different businesses into the apps business. How did you find your way to the domain name industry as a financial expert, as a consultant?

Christa Taylor: Well, pretty much I was doing apps and I came across somewhere an article on apply for your new, your own new gTLD. So, I'm like, "Hey this is a great idea. I'm going to go and apply for my own." So, just like everyone else I got the manual, I printed it out, I read it all, and then you ended up making all of the phone calls to everyone and, you know, I was...I was quite a ways down that avenue and then someone along the way kind of gave me a little heads-up that somebody else was applying for the same TLD and they had very deep pockets and maybe I should reconsider. So, I did reconsider, good or bad. Now, because obviously the auction part of it wasn't known then...

Michael Cyger: Yeah.

Christa Taylor: ...And so, when I went to say, "Hey, I'm out," people kind of said to me, "Well, hey, you know, I saw your financial models and I have some people that would really appreciate your, you know, some...your services doing that. Would you be willing to do it"? And pretty much overnight I went from, you know, my own application to applications all over my floor working 24/7 with people all around the world. So, and...and here I am a couple years later and still kind of doing the same thing. A little bit different role most of the time but...

Michael Cyger: Yeah.

Christa Taylor: ...It's a great industry, so...

Michael Cyger: Yeah, and I remember chatting with you at a conference a year or two ago. I can't...it was before...it must have been a couple years ago before the applications were due, and you were work...you didn't tell me the exact number but it was, like, multiple, like, ten different applications you were working on the financial models for the...maybe more.

Christa Taylor: I was probably...that would maybe be ten in an hour.
[inaudible]

Michael Cyger: Seriously? How many financial models do you think you put together for applications for new gTLDs, roughly?

Christa Taylor: At...at least forty, or...

Michael Cyger: Wow.

Christa Taylor: ...Yeah, and...and it...it was, you know, a lot of people took a lot of time and consideration to build them and...and they are businesses.

Michael Cyger: Yeah.

Christa Taylor: So, you know, it wasn't...it wasn't done just, you know, throw whatever at it.

Michael Cyger: Yeah.

Christa Taylor: The brands were obviously a...a lot different and a lot easier to do, but there was lot of thought that went into those and I don't think people recognize that enough.

Michael Cyger: Yeah. No, definitely. And so, now that you've been through the whole process and you know that if the auction...if the TLD went to auction you could have been paid off, are you...are you bummed that you didn't, like, go forward with it? That, you know, and...and none of the details of how the auctions, even if there were going to be auctions, were evident when you were filling out your application. Nobody knew how it was going to progress. It was sort of, you know, talk about the gold mining wild, wild west, like, there were no...no rules.

Christa Taylor: Yeah. Yeah, no, and I...I had no idea. So maybe I, you know, I...I probably knowing what I know now obviously I should have stayed in but on the flip side, I got to see everyone else's business models.

Michael Cyger: Yeah.

Christa Taylor: So, I have a whole different insight...

Michael Cyger: Definitely.

Christa Taylor: ...Than I think most would. Will it pay off rather than the auction model? Well, we'll see.

Michael Cyger: We'll find out. And so, what was the top level domain that you were going to put a bid in for?

Christa Taylor: .app obviously.

Michael Cyger: .app!

Christa Taylor: Yes.

Michael Cyger: Boy, you picked one of the best right off the top.

Christa Taylor: Yeah, no one applied for it.

Michael Cyger: Well, but, you know, you could have been paid off. Like, didn't that go to a...a private auction?

Christa Taylor: Yeah, it did, and Google got it for twenty five million.

Michael Cyger: Yeah.

Christa Taylor: So...

Michael Cyger: Wooo, Christa.

Christa Taylor: Yeah.

Michael Cyger: That could have been...that could have been your retirement, huh?

Christa Taylor: It could have been.

Michael Cyger: Sorry, hindsight, it's always 20/20.

Christa Taylor: That's okay.

Michael Cyger: Thanks for sharing a little bit about your professional background. Obviously the new owner of .buzz can do whatever they want with it, but I'm curious, what was the original vision of .buzz?

Christa Taylor: Bill had more than one string, so he had .fun and .buzz. So, he was going to do both of them together, and when he didn't win...so fun went to a private auction and he didn't win it...and I think that's when everything kind of changed a little bit. It didn't have that same kind of plan going forward and then at the same time he was offered a position at the University of Central Arkansas...I've got to remember the Central thing because I'm not sure...there's, like, an Eastern or a Northrop, I'm not sure.

Michael Cyger: Yeah.

Christa Taylor: But anyways...

Michael Cyger: And they hate each other probably. They're arch enemies, so you...don't mix it up. Yeah.

Christa Taylor: Yeah, Central, anyways...so anyways, at the same time he ended up doing a lot of that and he likes working with the students and he wants to do a whole lot more with them bringing their ideas and their concepts to the market.

Michael Cyger: Yeah.

Christa Taylor: So, he wants to do more of that now, and...and more of that is opening up for him on top of, you know, the timing of everything else. So, that's kind of what's got us to this point.

Michael Cyger: So, that makes sense why he wants to sell it. Obviously, you know, I've sold businesses when I...my...my personal situation changed when I started enjoying...enjoying something else more than what I was doing. And I...I'll probably do that someday with domain name investing when I'm...when it's no longer fun or I don't get satisfaction out of it I'll switch and do something else. But what was the original vision for .buzz that...that Bill Doshier, who we've been referring to, had for .buzz?

Christa Taylor: I actually have to read this one. So...

Michael Cyger: Okay.

Christa Taylor: ...It's...it's "Provide an outlet for creativity and innovation, creating buzz or whatever's happening right now."

Michael Cyger: Okay, so very much what Bill likes to do to help students meet their entrepreneurial interests. It's .buzz, it's marketing, it's fun, not .fun, it's fun, it's...it's, like...

Christa Taylor: It's...it's what's happening right now.

Michael Cyger: ...Whole..the whole, you know, zeitgeist, memes, what's happening now, the...the buzz, what's the buzz?

Christa Taylor: Yeah, exactly, what is happening.

Michael Cyger: So, I came at it from that perspective.

Christa Taylor: Yeah. So...

Michael Cyger: And three and a half million dollars is the asking price.

Christa Taylor: Yeah.

Michael Cyger: When I have sold businesses in the past it's usually by a multiple of EBITDA, earnings before income taxes, depreciation and assets, or EBIT, and so you take your profit and then you multiply it by a certain number and then the...the company buying will say, "Okay, I'm buying that, I know, I'll have...I'll receive that income over a number of years so it might be a seven times, ten times, whatever, depending on the industry, in order to get the money back for the money that I'm outlaying to begin with, plus there's a whole bunch of opportunity where you can grow the business and get it back sooner.

Christa Taylor: Yeah.

Michael Cyger: So, how do you justify a three and a half million dollar asking price for .buzz? Is there a EBITDA that...that is a multiple to get to that number?

Christa Taylor: You can do it different ways, and...and I'm not going to say there's EBITDA right now with...that I can justify for the three and a half million but what you are doing is you're getting the opportunity.

Michael Cyger: Uh huh.

Christa Taylor: And it's early days and he didn't want to go and sell all the premium names and just throw them out there for minimum price. What he did do when he didn't win fun was kind of, you know, take a step back and hold it and more focus on building the buzz communities and to work on the business and to keep all those assets intact for later when the market was more mature.

Michael Cyger: That makes sense.

Christa Taylor: Yeah.

Michael Cyger: And so...so it sounds like the premium domains that he's holding back are a big asset that justify the three and a half million dollars asking price?

Christa Taylor: That's...that's an easy way to do it, you know? I do financial models all day long all the time and I can build you ten different financial models and I can base it on revenues, I can base it on, you know, future revenues...

Michael Cyger: Yep.

Christa Taylor: ...I can base it on current registrations with, you know, an add-on of premium names. I can build it on a...a million different things, and everyone that I gave the model to is going to come back to me and say, "Hey, you forgot this," or, "You need to adjust this," or, "Your interest rate isn't high enough," or, "Your payback period is too short, or too long."

Michael Cyger: Right.

Christa Taylor: So, it's just easier for me to say, "You know something? I'm going to...you know, I can easily do it with a back of the napkin kind of

calculation on the premium names. It'll justify the price." But on the flip side, I'm happy to support anyone else's financial models and provide any information that they need to justify it.

Michael Cyger: Totally.

Christa Taylor: Right.

Michael Cyger: And for a buyer that's smart to do, to look at the valuation from a few different perspectives and maybe, you know, if you have four or five, three of them are going to align, one of them may be off. You think about the pros and cons of...of that model and...and then you make an informed decision based on...on those numbers, whether you think it's a viable business opportunity for you, right?

Christa Taylor: Yeah. It...everyone's different.

Michael Cyger: Right.

Christa Taylor: So, everyone's going to figure that out for themselves and then, you know, everyone, you know, there might be some also synergies there and, you know, there's a million different things to consider. So, for me to just...to say, "Here's the financial model. Boom. Your EBITDA or your ROI is this"? It's...it's pretty difficult for me to do.

Michael Cyger: Yeah. And what we've seen over the past couple of years...we've seen it for a long time over the past, you know, ten, twenty years, but over the past couple of years, we've seen a significant rise in single letter, two letter, top level domains...second level domains in the...in any...in all top level domains rising. Clearly, they're rising quicker in .com than other top level domains.

Christa Taylor: Yeah.

Michael Cyger: If I look at just the single and two letters for .buzz, are all of them still held back by the registry?

Christa Taylor: Yes.

Michael Cyger: And so, what might those numbers...just selling those at a reasonable rate, reasonable price, what would those come to?

Christa Taylor: So, if I was to do a quick back of the napkin kind of calculation...

Michael Cyger: Yeah.

Christa Taylor: ...I'd do all single letters maybe at four thousand. I'd do all two letters at...and I'd do an average, say twenty nine hundred and that would be based on...and I...I'd price them differently. So, I'd do two letters are different than a mix of a letter and a number. But let's say the average is twenty nine hundred. I think we get around 3.7 million right there.

Michael Cyger: Ah, I see what I did wrong. I...

Christa Taylor: So, if we add the hundred forty four...

Michael Cyger: Yep.

Christa Taylor: ...Then we're at 3.9. It's...it's easy to justify and...

Michael Cyger: Yeah.

Christa Taylor: ...And that's before the other fourteen thousand names that are there for whatever they want to do with it. So...

Michael Cyger: Gotcha.

Christa Taylor: Yeah.

Michael Cyger: So, not just letters you're taking into your account...you're looking at numbers as well, so a single number like 8.buzz is going to have a higher number...88.buzz might even be worth more than 8.buzz.

Christa Taylor: Sure.

Michael Cyger: So, I see what you're doing there, and just those alone, not even counting the other premiums that .buzz has registry reserved, comes to \$3.7 million roughly.

Christa Taylor: 3.9...

Michael Cyger: \$3.9 million.

Christa Taylor: ...Between the single and the double, yeah.

Michael Cyger: In our, you know, I thought I remember reading something on one of the blogs recently that single and two letter top level domains...single and two letter domains weren't being sold, or now they're allowed to be sold. I know there was some issue with country codes, countries not wanting them to be confusingly similar to their country codes. Has that all been taken care of? Are...are registries allowed to sell single and double letter domains now?

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Michael Cyger: Are registries allowed to sell single and double letter top...domains now?

Christa Taylor: They can. They have to apply to ICANN to do it. So, what happens, or the process is pretty much that you...they go and apply to ICANN. ICANN posts it for, you know, people to reply back. They have sixty days to do that and then anything that's not...doesn't have a dispute around it is released.

Michael Cyger: Ah, so has Bill already gone to ICANN and said, "I want to sell every single letter, two letter second level domain in .buzz"?

Christa Taylor: Yeah, we have the letter.

Michael Cyger: Oh, wow. Alright.

Christa Taylor: Yeah. Yeah.

Michael Cyger: And so it seems like it's just pretty...just, it...it seems it's pretty easy to do that nowadays.

Christa Taylor: Yeah, it's...it was. Yeah, it's...

Michael Cyger: Yeah.

Christa Taylor: ...Super straightforward and there's a process with it and it's...it's a lot easier, so...

Michael Cyger: So, if you pull out all those single and two letter second level domains, how many other domains are registry reserved premium by...by the dotStrategy Co?

Christa Taylor: I would say under...I think I've done up to eight letters and there's about fourteen thousand. Some of those are blocked and some of those are premiums and I've just kind of lumped them together, not fourteen thousand. Sorry, I didn't break that out for you.

Michael Cyger: No worries. So, fourteen thousand. So let me...so, we did a pre-interview call where I was trying to understand what questions to ask you and one of the things that you pointed out to me, which as an individual investor wasn't clear to me, that a top level domain like .buzz or .app or .com or whatever, that are coming out...not .com because it's been out, but there are domains that are available for general registration and then there are domains that are premium that are priced. And so, if I go to GoDaddy and I search for a certain domain .buzz it may, you know, instead of the nineteen ninety, nineteen dollars and ninety nine cent registration cost, it may be a hundred dollars or a thousand dollars or ten thousand dollars. And then there's registry blocked domains. What is the difference between the premiums that are priced and the registry blocked?

Christa Taylor: Well, the premium priced ones are obviously ones that are priced that you can buy, and the blocked ones are ones that the perhaps a registry doesn't want out on the market. So, it might not match their background or they, you know, want to protect the registry's reputation.

Michael Cyger: Okay.

Christa Taylor: So, for example, you know, sex terms is a very common one. And I think there's a thousand buzz ones that have been blocked. So...

Michael Cyger: And would a registry want to block names that they would negotiate a sale of if the price was right?

Christa Taylor: I...I would assume so.

Michael Cyger: Okay.

Christa Taylor: You know, every registry's going to be different. Bill's going to be different from any other registry.

Michael Cyger: Yep.

Christa Taylor: And...and it also I think depends on the term.

Michael Cyger: Yeah, and so even the single and double letters that he's been approved to sell, he may just block those which means that they don't resolve and...and then he may negotiate like some...some Chinese investor that's investing in numerics may come to him and say, "I want to buy all your single number .buzz," and he would do a deal for those potentially.

Christa Taylor: For sure.

Michael Cyger: Okay.

Christa Taylor: And...and I think a lot of, like, a really successful registry owner is out there doing those deals and getting people to use their...their TLD. And I...I think any registry is open to that. So...

Michael Cyger: Right.

Christa Taylor: And I would encourage any of your listeners to go and approach the registry. If it's...if it's blocked go and chat with them. Chances are they're...they're going to be very open to your ideas and your suggestions and just the discussion.

Michael Cyger: Yeah.

Christa Taylor: So...

Michael Cyger: And so, you've been involved with .buzz for a while I assume?

Christa Taylor: Yes.

Michael Cyger: How does a registry like .buzz figure out whether you want to price a domain at say, ten thousand dollars or whether you just want to block it and force people to contact the registry in order to negotiate a price?

Christa Taylor: Well again, it...it depends on what, you know, the...the registry owner wants. I block a whole bunch or block a certain segment or whatever that might be, and then it's just pricing the premium names. So, you've got to create all, you know, come up with all the terms...how many do they want? How many do they want to release? And then you've got to, you know, price them, and then you've got to put them all in those nice little tiers, and then you've got to get them out to all the registries.

Michael Cyger: Right.

Christa Taylor: So...

Michael Cyger: So...so...

Christa Taylor: And hopefully it all connects and it works.

Michael Cyger: Yeah. So, it's very similar to what an individual investor will do with his or her portfolio as well, where sometimes they will do the exact same things that you just said and get them out to the registrars like Afternic, GoDaddy, or Sedo with a price, and sometimes they won't and they'll just force people to contact them and ask for a price. Like, celebrity.buzz is probably a great one. I...I haven't looked it up. It's probably registry blocked and somebody would need, you know, it's not priced because the price depends on the highest and best use case and when somebody comes to them.

Christa Taylor: Yeah, exactly.

Michael Cyger: Gotcha.

Christa Taylor: Yeah.

Michael Cyger: And if a registry blocks a domain name like celebrity.buzz let's say, they can't have a landing page. Like, it can't be a...an operating website. It just...it just says, you know, if I do a Whois lookup at DomainTools it'll say, "This domain is blocked, registry blocked."

Christa Taylor: Yeah. Yeah, I think so.

Michael Cyger: Or registry reserved, I think.

Christa Taylor: It'll...it comes up with a notice, but you can't...you can't purchase it. There's no price.

Michael Cyger: Yeah.

Christa Taylor: So...and...and so, taking a step back, it...it...people are going to look at the...the registration volume of buzz and they're going to see that, you know, it was building and then it dropped after the first year.

Michael Cyger: Yeah.

Christa Taylor: And what was really common when everyone first started into the new gTLDs was to actually to go unregister a whole bunch of premium names and put up parking pages. And then after the first year there was different ways to go and sell the names without them being registered. So, in the buzz case, that's what the first major drop was after the...the renewal was those premium names not having parking pages on them.

Michael Cyger: Ah, I appreciate you telling me that because I went to, I think it was endl...namestat.org and I typed in .buzz and I see that big drop in May

of 2015, nineteen hundred and fifty three domains dropped and so I wondered, you know, are those people dropping the domain names that they thought didn't have value or what happened? And so, that was the registry that actually paid ICANN the twenty five cents and got the website, you know, the domain name resolving so if people typed in a great domain name, that they could see that it's for sale. And so, you know, we just learned that Frank Schilling, Frank Schilling's organization just did that this year as well with a bunch of domain names. And so, it was just a learning process. It looks like Bill Doshier learned this way before everybody else because he was one of the first top level domains to launch.

Christa Taylor: Yeah.

Michael Cyger: Yeah.

Christa Taylor: Yeah.

Michael Cyger: So, is end user business owner adoption the truest indicator of the success of a top level domain and what have you been...what have you seen happening with .buzz?

Christa Taylor: I don't know if I would say it has to be a business. I'd have to say use or some kind of purpose where people have invested some kind of time and energy into it. Whether, you know, you could be Apple dot, you know, Apple with apple.com or any major brand and you're not getting revenue from anything more than the registration price, and it's the same no matter what. There are some other TLDs which I believe you've interviewed that have a different business model associated with it where they're taking a portion of the revenue but that's different and...and most, I would say probably at least ninety nine percent of the...the TLDs is just the straight registration. So, as long as they're invested in it and they're going to renew it, I don't really see a big difference.

Michael Cyger: And what kind of use have you seen in .buzz? Like, I'm wondering who uses .buzz.

Christa Taylor: I have a bunch of different ones. Actually I made a list because I knew you were going to ask me that.

Michael Cyger: Oh, yeah.

Christa Taylor: So, obviously the marijuana business ...

Michael Cyger: Ah.

Christa Taylor: ...Is obviously a big growing one, especially with that little election that you guys had over there that no one heard about, and three more states I think legalizing medical marijuana.

Michael Cyger: Recreational marijuana, yeah.

Christa Taylor: Yes. No, no, no, that was medical and I think four did...

Michael Cyger: Ah.

Christa Taylor: ... Recreational.

Michael Cyger: Alright.

Christa Taylor: So, I think you have about almost sixty percent of your states now having some kind of legalization of marijuana in the states.

Michael Cyger. Right.

Christa Taylor: And it's a huge business. I think it's...what is it, thirty six billion dollars? And it's growing.

Michael Cyger: Yeah.

Christa Taylor: So, I think that's probably the biggest one and...and the funny thing is...is, and going back to, you know, how people use a TLD is Bill's not that kind of guy to really...he's...he's pretty straitlaced...

Michael Cyger: Yeah.

Christa Taylor: ...So, for him to get into the cannabis industry shows that he's...he can flex quite easily on it. So, he's...he's done that. Like, he...it wasn't his intent obviously when he bought .buzz.

Michael Cyger: Right.

Christa Taylor: But he's marketing and he...he jumped right on it and he's out there working it. So, I think obviously that's one of the big markets and you see, you know, you're going to make fun of me and that's...

Michael Cyger: Always.

Christa Taylor: ...Why I'm opening that door, is the honey production business.

Michael Cyger: And how big is the honey production business? These poor little bees, they work all their lives and then their honey is stolen.

Christa Taylor: Do you know that there's over a hundred thousand beekeepers in the U.S.?

Michael Cyger: I know one. Yeah. Yeah.

Christa Taylor: Well, yeah. So, there's a hundred thousand. They produce over a hundred and forty nine million pounds of honey with a value of over twenty nine billion dollars.

Michael Cyger: Just those hundred thousand beekeepers are producing twenty nine billion dollars of revenue?

Christa Taylor: Yeah, to the farmers. Yup.

Michael Cyger: Wow.

Christa Taylor: I know.

Michael Cyger: I've got to get into beekeeping. What am I doing with domain names? Seriously? A hundred thousand, let's do the math. What's twenty nine billion divided by a hundred thousand? I can't even figure that out. Hold on. Now I'm going to do it.

Christa Taylor: That's a lot of zeros. I'll let you...

Michael Cyger: That's a lot of zeros. One, two, three...one, two, three...one, two, three. My calculator doesn't even go that high! Oh yeah, it does. Divided by...oh, it's twenty nine hundred dollars per beekeeper. It's not that much. That's like selling one domain. Alright, I'm not getting into beekeeping because I would probably be under the average. Yeah, that's...okay, so that's a big industry.

Christa Taylor: Yeah.

Michael Cyger: Yeah.

Christa Taylor: So, you know, and...and there's a bunch of other creative industries as well.

Michael Cyger: Yeah.

Christa Taylor: So, you know, it's...it's not like you can say it's cars and it fits only in this niche.

Michael Cyger: Yeah.

Christa Taylor: It's a whole bunch of different things.

Michael Cyger: Right.

Christa Taylor: So...

Michael Cyger: And so, Bill wasn't expecting the marijuana industry to take off like it has over the past couple of years with the legalization in the United States. He was focused on marketing, you know? Celebrity buzz, PR buzz, you know? Those sorts of areas. And sort of honey and marijuana came to the forefront. Did he reserve enough of those premium domain names? Does he have, you know, significant value still locked up in premiums?

Christa Taylor: Yeah, he does.

Michael Cyger: Great.

Christa Taylor: So, and even if something drops he's...he's reviewing it on a daily basis to, you know, does he keep it or not?

Michael Cyger: Yeah.

Christa Taylor: So, you know, and there's...

Michael Cyger: Oh, he has that opportunity as a registry whether to pull it back...

Christa Taylor: To block it.

Michael Cyger: ...or let it drop?

Christa Taylor: You can block it and premium price it if you chose.

Michael Cyger: Oh, interesting. I didn't know that TLDs have that right.

Christa Taylor: Yeah.

Michael Cyger: Huh.

Christa Taylor: Yup.

Michael Cyger: Wow, alright. So, yet another benefit.

Christa Taylor: Yeah.

Michael Cyger: So, domain name investors oftentimes mix up individual investing with, you know, making money with individual investing and making money with a TLD, right? They look at...they look at maybe .buzz and they'll say, "Well, I can't register any domain names that are going to make money because TLDs got everything locked up and it's just not worth the time that I'd invest." And...and so, they...they then, you know, say, "All the TLDs are terrible and they're never going to make any money," and yada, yada, yada. I know people are selling new gTLDs and making money. I'm working on getting somebody to come on the show to share what he's doing in his one case. And I know there are other people as well because I've met them at conferences. They just don't want to come on DomainSherpa yet to share, and I think people, you know, individual investors mix up the fact that, you know, they can't make any money, with the fact that a low number of domain name registrations at a TLD means that they're not making money also. You know, if I just do a rough back of the envelope calculation and I sell, you know, ten thousand domains let's say because I know...because...and I...I don't...I should say I don't have any information of .buzz and don't take my examples as truth relating to this specific case, but if .buzz has ten thousand registrations at a twenty dollar wholesale cost that's two hundred thousand dollars of...of top line revenue. Like, that's a nice lifestyle business to run a TLD and then you've got all the upside of those premiums and all the upside of the growing industries like marijuana.

Christa Taylor: Yeah, exactly.

Michael Cyger: And so, do you find that a lot as well that people mix up the individual investing opportunity with the TLD operator opportunity?

Christa Taylor: Yeah, they do, and...and I think there's a general, you know, kind of thing out there where people are like, "Oh, you know, the industry's a waste of time," blah, blah, blah, blah, blah. We've all heard it but, you know, it's...it's not going to change it. It's...it's still here and it's not going to go away and, you know, it's just like any other business. Some of them are going to do really well and some of them aren't and, you know, it's...it's no different.

Michael Cyger: Yeah.

Christa Taylor: So, you know, it's...it...two hundred thousand a year is...is no small potatoes and with the right person and the right, you know, potential and their expertise and everything else you can really grow it. So, and...

Michael Cyger: Yeah.

Christa Taylor: People I think just focus on, say, the negative things as you're saying as opposed to, "Wait a second. Let's...let's do some real...real math on it, and you'll see something probably very different."

Michael Cyger: Yeah. What does it take to run a TLD successfully?

Christa Taylor: Well, first of all, thick skin against everyone who does thought, "Ah, you're wasting your time." Then it's...I think it's a lot of expertise and, you know, what is it that you're looking for? What's your background? Is there some kind of synergy there with something you already do own or, you know, if you had a brand, how does that work? And, you know, a whole bunch of other things kind of all rolled into it.

Michael Cyger: Yeah.

Christa Taylor: So...

Michael Cyger: So, you need to be an entrepreneur. Does...do you need to be an investor and understand valuation in order to run a TLD?

Christa Taylor: No, I don't think so.

Michael Cyger: No?

Christa Taylor: No.

Michael Cyger: Because people can hire you to do all the financial stuff for them, right?

Christa Taylor: That's what I do, but, yeah. It...it's not...this isn't really complicated stuff, right? You know, you can sit there and calculate how much it takes and you take out, you know, your variable costs. There's a couple there, and you've got your fixed cost to ICANN for, you know, twenty five thousand minimum a year for the first fifty thousand. You've got twenty five cents thereafter. So, it's...it's not rocket science. It depends how you want to run your...

Michael Cyger: Yeah.

Christa Taylor: ...Run your business. Do you want to go spend a whole bunch on marketing...how do you want to go and promote it? Do you want to go to every trade show, or do you want to kind off do it off the side of your desk?

Michael Cyger: Yeah.

Christa Taylor: It...it really depends.

Michael Cyger: Okay, so let's run through that then. So, I gave the example, ten thousand domain names...so we're not even talking about premiums, ten thousand registrations because I went to namestat.org and I looked it up there's about ten thousand registrations pretty constant. I'm just going to throw out a number. I don't know what the number is at twenty dollars

wholesale, so that's two hundred thousand dollars in top line revenue, right? You take your revenue and then you subtract your expenses and that's your EBITDA. That's your gross profit before you pay your taxes, and so let's talk about what this chunk is for expenses. You mentioned twenty five thousand dollars is owned...owed to ICANN for the first fifty thousand domain names if...if .buzz is at ten thousand there's still plenty of room before additional, you know, expenses of twenty five cents per domain are required, so that's a fixed cost of twenty five thousand dollars per year off the two hundred thousand.

Christa Taylor: Yeah.

Michael Cyger: Bill does go to trade shows. I saw him at NamesCon last year. And so, trade shows are kind of expensive, right? Like, you've got to pay for your airfare, you've got to print up your materials. You've got to have a banner behind you...it, you know, it costs a couple thousand or a few thousand to put the...you're talking about my...my backdrop, right? Is that why you're laughing? So, side note...

Christa Taylor: How's that working out for you?

Michael Cyger: Side note...I used to...my backdrop is...is pretty good actually. I think it's pretty good. I used to have a bed sheet that hung behind my head to block the rest of my office and Christa used to text me on Skype and say, "Are you going to sleep yet? Like, what's the deal with the bed sheet"? And...and I didn't even, like, iron out the...I didn't even iron out the...the fold marks that were in the bed sheet. I just, like, wanted to throw it up there. So, Christa has never been a fan of my backdrop.

Christa Taylor: Well, I'm thinking we should break for [inaudible] sponsor things. And you...we can ask for, like, the sponsors to donate to a new backdrop.

Michael Cyger: I don't see anything wrong with this backdrop. So, here's what I'm going to do. I'm going to put a poll right...right below here that says,

"What do you think of Mike's backdrop? Keep it? Dump it"? And then you can vote.

Christa Taylor: You're going to be sitting there all night. That doesn't work.

Michael Cyger: Well, what would you want to see in my backdrop, Christa? You want to see, like, a book cabinet? I'll put a green screen and then I'll just put, like, something else behind me like bookshelves or, what do I need? I need your pictures behind me?

Christa Taylor: I'll send some suggestions.

Michael Cyger: Alright.

Christa Taylor: So sorry.

Michael Cyger: Twenty five thousand bucks comes off the two thousand in this example. Trade shows, let's call it another twenty thousand dollars probably if you're going to hit trade shows. What other expenses might the new owner of .buzz have to expect?

Christa Taylor: Well, you have your backend provider.

Michael Cyger: Uh huh.

Christa Taylor: So...

Michael Cyger: And in this case it's who?

Christa Taylor: I'm sorry?

Michael Cyger: In...in the case of .buzz, who is the backend provider?

Christa Taylor: It's NewStar.

Michael Cyger: NewStar. So, NewStar is responsible for actually keeping the database, assigning the...the domains out to the people, keeping track of the Whois, taking the money I think, and then, you know, doing all...they're the backend provider for the registrars that actually interact with the customer.

Christa Taylor: Yes, exactly.

Michael Cyger: And so, how much is that contract per year?

Christa Taylor: Obviously I can't say. [inaudible]

Michael Cyger: Oh, you can't say?

Christa Taylor: So, that's the NDA type of things.

Michael Cyger: Is that typically on a per domain basis that...that dotStrategy Co would pay?

Christa Taylor: Yes.

Michael Cyger: Okay.

Christa Taylor: So...

Michael Cyger: It's not like a big balloon payment like ICANN where it's twenty five thousand dollars per year even though you're not using, you know, eighty percent of the option?

Christa Taylor: They're all different. So, every backend provider is different. Some of them have minimums. Some of them have a straight flat rate. It's...it's...some of them have several TLDs that are built into a rate.

Michael Cyger: Ah.

Christa Taylor: So, yeah.

Michael Cyger: Gotcha. Okay. And so, you've got the backend provider, and then what else?

Christa Taylor: You have an escrow provider.

Michael Cyger: Uh huh.

Christa Taylor: And those are your two biggest cost of goods sold.

Michael Cyger: What's an escrow provider needed for?

Christa Taylor: Just to make sure that the data's there in case something goes wrong with the...the TLD.

Michael Cyger: So it's a...it's a...it's a data escrow? It's not a money escrow?

Christa Taylor: Correct, it's a data escrow.

Michael Cyger: Ah.

Christa Taylor: And it's required by ICANN.

Michael Cyger: So, like, it's a backup system?

Christa Taylor: Yeah.

Michael Cyger: Okay.

Christa Taylor: Yup.

Michael Cyger: And then, what about, like, is Bill...does Bill have any employees that he has to pay as well?

Christa Taylor: He's pretty lean. So, he just has consultants that he...he pays on a monthly basis and for the new owner, they...he....they...he...they can choose whether to keep them or to use their own people or whatever else. It's very flexible for the new owner. There's no locked in costs.

Michael Cyger: Yeah. And so, one of those con...consultants might be a marketing consultant? One of them might be a financial consultant like yourself?

Christa Taylor: Yeah.

Michael Cyger: Yeah. And what else? What other expertise areas might Bill have used in the past that a new owner should be aware of?

Christa Taylor: It depends what they're going to do. If you want to do parking pages, obviously you're...you're going to have some expenses around setting those up and all the rest of it along with, you know, the domains there. But, pretty much it's...it's really flexible on the owners and I think that's the beauty of the new gTLDs is that you can choose, you know, to be lean or you can go...try to go big and do a whole bunch of really extravagant things. It...

Michael Cyger: Yeah.

Christa Taylor: ...It really depends.

Michael Cyger: Sure.

Christa Taylor: So...

Michael Cyger: And .club, you know, does a great job marketing. They probably spend a ton of money doing marketing but they've also seen a tremendous amount of growth. And so, you can choose to be lean and small and maximize profits, or you can choose to plough those profits...profits back into the company into marketing and try and grow as big as possible so it all depends of the new owner and what...what they want to do.

Christa Taylor: Yeah, exactly.

Michael Cyger: And how much...I'm often...I'm often wondering, and I haven't seen very much publicity for the premium sales, you know? .club will email me monthly and say, "We just sold another three hundred thousand dollars in premium domains." What...how much in premium domains have been sold by .buzz in the past?

Christa Taylor: Honestly I don't know the number. I can look it up for you and...and send it to you.

Michael Cyger: Okay.

Christa Taylor: Yeah.

Michael Cyger: Is it...some...some premium domains have been sold?

Christa Taylor: Yeah, and he's done some...some deals where people have taken big chunks of...of names too and...

Michael Cyger: Ah.

Christa Taylor: I can't...there's potentially one on the table right now so...and I've already adjusted my numbers for that.

Michael Cyger: Gotcha.

Christa Taylor: So, yeah.

Michael Cyger: What are the...in your opinion, what are the risks of owning a top level domain like .buzz?

Christa Taylor: What are the risks? Well...

Michael Cyger: Like, is there...I know there's a ten year contract that ICANN has with dotStrategy Co. Is there a risk that ICANN will say, if I buy it, "Yeah, sorry, Mike, we're not going to renew your contract. We're going to give it to somebody else"? Or, "We're going to go out for bid, or an auction, or..."

Christa Taylor: No, it's...I forget the term they use but it's...it's...it's really quite straightforward. Yeah, I can't remember the term but it's...it's expected to renew no matter what. There's not...

Michael Cyger: Oh, Gotcha.

Christa Taylor: ...Any of that we're going to send it out...

Michael Cyger: Yeah.

Christa Taylor: ...For bid.

Michael Cyger: Okay, so it's not a risk of losing it, but there's a risk that if you don't operate as a...a good steward of the domain or if that, you know, you get thrown in jail or something they might not renew your top level domain.

Christa Taylor: Yeah. Yeah, it's, you know, I don't know if I ever read the terms on that but, you know, in order to apply for a TLD you did have to show that you're a good citizen, you don't have a criminal background, you didn't fraud, you know, defraud people, you don't have a whole lot of cybersquatting underneath your belt, all the...all the basics are there. So...

Michael Cyger: If I'm under eighteen can I own a top level domain?

Christa Taylor: No, I would think you would have to be the age of majority.

Michael Cyger: Ah.

Christa Taylor: I would...I could check on that. You could probably be an officer of the corporation.

Michael Cyger: Yeah.

Christa Taylor: I don't know. I'd have to check.

Michael Cyger: No geography restrictions? You could anywhere in the world, right?

Christa Taylor: Yup.

Michael Cyger: Gotcha. Alright, and...

Christa Taylor: [inaudible] the internet. It's everywhere.

Michael Cyger: It's everywhere. It's amazing. And so, I know you were in India last week I think it was for the ICANN event. You probably participated in, you know, some of the sessions which I would fall asleep in, but did you learn anything about the next round of TLDs. If I don't want to buy .buzz or buy another top level domain, but I want to apply for my own, when is that next round going to happen do you think?

Christa Taylor: The short answer?

Michael Cyger: Yeah.

Christa Taylor: Never.

Michael Cyger: Never? What? Seriously?

Christa Taylor: No, if...seriously, if we got a...another round before 2020 I'd be surprised.

Michael Cyger: Huh.

Christa Taylor: There's just too many moving parts. Data still needs to be collected, needs to be analyzed, then the reports have to come out. Then it's going to go through a review procedure and then, you know, people will decide on, you know, was it successful? Is it not successful? And how to we proceed? So...

Michael Cyger: Yeah, that'll be interesting, right? Because wasn't that the main impetus for the new gTLDs? There's not enough supply and so we're going to launch all these new TLDs and everybody will be able to buy whatever they want in a more focused niche. And then, they weren't actually available because all the TLDs held...held back the premiums.

Christa Taylor: Some of them do. Some of them don't as you said.

Michael Cyger: Yeah.

Christa Taylor: .club hasn't. They're all out there and a lot of them are out there. So, there's, you know, there's certainly a lot of...a lot more choices than there were before. So...

Michael Cyger: That is true. Okay, so not in the near term? Realistically you think, like, 2025? Some...

Christa Taylor: No.

Michael Cyger: ...Sometime in the 20s?

Christa Taylor: I would say 2020 could...could potentially be it...

Michael Cyger: Ah.

Christa Taylor: ...You know, when they're...you know, it takes another year for them to launch after that.

Michael Cyger: Yeah.

Christa Taylor: And what that looks like could be different too.

Michael Cyger: Right.

Christa Taylor: It could be, you know, a continuous store from their port. It could be rounds that are all set out. It could be no longer rounds. It could be a mix of them. There could be brands. There could be something else.

Michael Cyger: And who knows, right? Like, the rules are being written as we go along. Just like you gave up your...your application for .app that could have been, like, a major windfall for you in auction because you had no idea how the TLD was going to be assigned or...or, you know, how that...how that determination process was going to happen. You don't know with the new gTLDs. It could change based on what they learned from this past round.

Christa Taylor: It...it could. You know, we...we are...there are working tracks that are addressing those types of questions to hopefully not have that happen again. And if you'd like to join one of those please let me know. I'll sign you up.

Michael Cyger: Okay, so if somebody is, like, thinking, you know, ".buzz maybe isn't for me but I see the opportunity and I want to apply for a top level domain," they should really get involved in ICANN sessions and that means going to the sessions that are determining how the next auctions are going to happen.

Christa Taylor: Yeah, and there's...

Michael Cyger: How the next round, I'm sorry, of applications is going to happen.

Christa Taylor: Yeah, for sure.

Michael Cyger: Gotcha.

Christa Taylor: And you're going to learn a lot and...and the insight is great. You can't beat it, if you can stay awake.

Michael Cyger: And what...if somebody wants to learn more about ICANN and get involved and just, like, start watching, what group should they look for when they go to the ICANN website?

Christa Taylor: Well, it depends on their...you know, what...what they like...what they...

Michael Cyger: On the application process specifically.

Christa Taylor: On the application process. Well, I'm in the Subsequent Procedures Track 1.

Michael Cyger: Uh huh.

Christa Taylor: And we're addressing those types of things, but anything in those Subsequent Procedures is great. But it also depends if you're not for profit. Well, that's a different track. If you're a trademark owner that's something different. So, it really depends on what your focus is.

Michael Cyger: Yeah.

Christa Taylor: So...

Michael Cyger: Okay, that makes sense. If someone has listened to this opportunity, clearly we've talked about some of the details or...or sort of, like, at a high level what this might look like, but they want to learn more about the .buzz top level domain and the opportunity, maybe submit a bid, because you mentioned that it's a sealed bid process with a minimum of three and a half million dollar offer, how does all that work? How are you organizing it as the broker?

Christa Taylor: Pretty much I just have an NDA that everyone needs to sign. From there we're sending them all the information so they can do their due diligence, ask any questions. All the...the questions that come up are shared with everyone to make sure that no one has an advantage over somebody else. Everyone's operating from the same information base. And then from there we...a...a bid is going...or an email goes to [inaudible] Law, and from there he'll confirm the bid and get back to the winner which is in December. So...

Michael Cyger: Okay, so when are bids do then?

Christa Taylor: I think we have December 8th at twelve o'clock, noon.

Michael Cyger: Pacific? Eastern? Canadian time?

Christa Taylor: Pacific Standard Time.

Michael Cyger: Oh, Pacific, alright. Pacific.

Christa Taylor: Yes. Sorry.

Michael Cyger: Noon. Alright, December 8th and it is...today we're recording on November 16th. This is going to air on Monday, and so they pretty much need to get moving if they want to be involved and look at this opportunity and put in a bid.

Christa Taylor: Yes.

Michael Cyger: Okay. So, sealed bids are due, the bids come in. So, clearly it needs to be over three and a half million for you to even consider it? Like, people shouldn't submit an offer if it's below three and a half million?

Christa Taylor: Correct.

Michael Cyger: Okay, and then what about, you know, I know oftentimes when it comes to buying and selling businesses that there are a lot of levers that you can move, right? Like, you can give a high price but maybe there's an earn-out over time or you can give a high price...a higher price than three and a half but, you know, a...some of it is paid up front and some of it is paid over time but it's guaranteed. Are...are there opportunities to be more flexible with the purchase of .buzz that Bill Doshier and you would consider?

Christa Taylor: We haven't really had a...an in depth conversation on that. So, it...that would require me to go and have a chat with him on that.

Michael Cyger: Okay.

Christa Taylor: So...

Michael Cyger: Okay, so, you would...

Christa Taylor: But if...if...if anyone has a question on it just send me that email and I'm happy to...to go and do the...the questioning on it and get back to them.

Michael Cyger: Okay, and with an due diligence process, if you're thinking about purchasing a business I suggest...I highly...I...I firmly suggest that you hire a Certified Public Accountant as well as an attorney who specializes in intellectual property and domain name law to help you do the assessment, find out what the risks are, evaluate those risks, and then make an educated decision going forward. This is not the kind of thing that you should just, you know, jump into and throw your cash at because if you're not ready to run a business and be an entrepreneur and, you know, feel the high highs and feel the low lows then you're going to be sorely disappointed. Any other advice that you have for anybody that wants to potentially look at this opportunity, Christa?

Christa Taylor: I know people are going to come back to the actual valuation and I think one thing I...I...I should have probably mentioned was another

Sherpa who did do an article on buzz and did mention the...the difference in price. So, I think there's...some people associate a value and they will do a...a price per domain and sometimes there's a low of I think two fifty or three hundred up to four fifty, and there was Mike Berkens' article I think last week where he did mention that it's...there was an offer put out by Daniel Negari for some of the Rightside TLDs and the difference...it was immediately turned down with the difference I think is about fifteen percent so, that's one of the items I...I should have probably mentioned there. But other than that...

Michael Cyger: As another way to value the .buzz opportunity?

Christa Taylor: Yeah.

Michael Cyger: Yeah.

Christa Taylor: And...and there are, as I've mentioned before, there's a million ways.

Michael Cyger: Right.

Christa Taylor: So, feel free to con...anyone can contact me on that. I'm happy to provide the details. And...and most of the details are in the information that we send out once the NDA is...is signed.

Michael Cyger: Yeah.

Christa Taylor: So, everything else I think is pretty straightforward but if anything arises I'm...I'm here to answer any questions.

Michael Cyger: Sounds good. And how should people get in touch with you if they're interested in this opportunity and they want to ask you about, you know, that...that information?

Christa Taylor: So, they can email me, christa@DotTBA.com. Hopefully I'm not going to get a whole bunch of spam now. And...or, if they want to do a bid it'll

be [inaudible] Law, and maybe I'll send you a link on that because I don't think he wants to change his name to Smith for the auction.

Michael Cyger: Yeah.

Christa Taylor: And that's a...kind of a tougher one to spell. So...

Michael Cyger: Definitely. Well, they're probably going to go and contact you to get the NDA and find out the process and you probably have a, you know, a...an electronic deal room that you're going to give them access to or something with details.

Christa Taylor: Yeah.

Michael Cyger: Okay, awesome.

Christa Taylor: Yeah. Yup.

Michael Cyger: Alright, if you're watching and you have questions, please post them below this video on DomainSherpa and I'll ask Christa to come back and answer as many as she can, or you should contact Christa directly if it's direct, you know, if it's related to the bid specifically. General questions about buying a TLD, about investing in a business, about next round of apps, about Christa's financial projections that she does as an expert in the community, those are all great questions to ask below so that everybody can learn from those. If you received benefit from today's show, learned something new, thought for a few minutes about owning a registry rather than investing in individual domain names, please take a moment and thank today's Sherpa below or click the Tweet button. I'm going to be the first to say thanks to Christa, Christa Taylor, CEO of DotTBA, thank you for coming on the Domain...DomainSherpa Show, sharing information about the .buzz registry sale opportunity and thanks for being a DomainSherpa for others.

Christa Taylor: Thanks, Mike.

Michael Cyger: Alright, we'll see what we can do about this backdrop for the next time you're on, Christa.

Christa Taylor: I'm...I'm waiting.

Michael Cyger: Thank you all for watching. We'll see you next time.

Christa Taylor: Okay, thanks.