

Interview with Evan Horowitz, [HuntingMoon.com](#) & [Essociate.com](#)

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Before we get started, you know [DomainTools.com](#), right? I can type whois.sc/domainname really fast and I do it daily, but until recently I didn't know how powerful their other tools were. If I want a domain name, I can set a free alert to notify me when it changes status. If it goes to auction, I can use their sales history tool to find comps and determine my maximum bid price. After I buy it and develop the domain into a business, I can set up alerts for any domains registered that contain my trademark, and I can set up registrant alerts of all my competitors so I can keep an eye on what domains they're buying and know what they're up to before they make any announcements. [DomainTools.com](#) needs to be in your toolbox, like it is in mine. Go sign up for an account on [DomainTools.com](#) today.

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you'll get your money's worth. Get your [free 14-day trial now at Protrada.com](#).

Here's your program.

Michael Cyger: Hey everyone, my name is Michael Cyger. I'm the publisher of DomainSherpa.com, the Domain Name Authority and the place where you can learn how to become a successful domain name entrepreneur directly from the expert themselves.

A few weeks ago I interviewed Rick Schwartz who shared how he financed his domain name empire at first with adult toll free vanity phone numbers and later with adult domain names. I found it fascinating. I wanted to find out more about the adult domain name niche so I contacted today's guest. But today's guest I quickly discovered is more than a domain name broker. He is an affiliate marketing expert and owns one of the leading affiliate networks along with a patent for affiliate marketing that in the past year alone has brought in \$1,000,000.

Today's guest is Evan Horowitz. Evan is the CEO of HuntingMoon.com and Essociate.com. We will learn about his domain name brokerage business HuntingMoon.com, his affiliate network Essociate.com and more about his patent and how he generates so much revenue from it. Evan welcome to the show.

Evan Horowitz: Thanks Michael. How are you?

Michael: Great. It's great to have you. Evan because you are an expert in so many areas I want to start off talking about domain name buying and selling then we will move into affiliate marketing and how domain investors can monetize the domain names that they own. But first let's start with a little background on you. How did you first discover domain names?

Evan: Coming out of college at UC Berkeley I was offered a position selling machine tools into Silicon Valley computer manufacturing facilities. And in the process of selling the machine tools I figured out that rather than driving around the entire Bay area meeting customers and sellers and buyers and

brokering these machine tools I could create a platform online which we called MachineryPipeline.net. So that was Evans Machinery Pipeline. WE created an EBay like platform for buyers and sellers to post the machine tools for sale and that was my first experience selling online in a commerce sense. We brokered \$600,000 worth of machine tools in a very short amount of time.

Michael: What year did that take place?

Evan: That was in 1995 – 96.

Michael: So right at the beginning of the internet. Were you finding that – I've been in the machinery business a little bit in the past and a lot of them aren't high tech? Did you find it was difficult to get them online to actually look at the EBay type listings to bid and buy what was available?

Evan: We were pretty naïve at the time and we just put it up and people came. Yahoo listed us right away. My site came up right away on Yahoo, very highly ranked. And we had a free supply of traffic that we surely took for granted. It more molded to have traffic for machine tool buyers and sellers. How it got to me I have no idea. It was a miracle.

Michael: So basically people would go to Yahoo, which was the dominant search engine or portal at the time and would type in machinery tools or use machinery tools and find Evan's Machinery Pipeline.

Evan: Magic. And so we figured out very rapidly that the internet component of the machinery pipeline site was going to explode. We became instant believers. My business partner and co-founder Michael Landau and I met the first day at school at Berkeley just decided that we would take steps to find our niche online - That we wanted to dedicate our careers to finding a way to make money online.

Michael: Were you and Michael roommates or friends in college? How did you get to know each other?

Evan: The very first day of school, which was almost exactly 21 years ago, I got to my dormitory and my roommate, Phang Union, was not there. He didn't show up for a full week because he was a junior transfer and didn't bother with the orientation and stuff. So I went roaming down my dormitory there and one of the first people there that I met was Michael. He had a room at the end of the hall. And we became friends right away. We socialized and made mutual friends and we went out looking at fraternities together although we never joined one. And we always had a good relationship as friends. His family welcomed me and my family welcomed him in.

Michael: If I remember correctly you studied mass communications at Berkeley?

Evan: Mass communications. I had Todd Gitlin who was the chief of our study there.

Michael: Alright a shout out to Todd. I'm sure he is going to find his name in the transcript and read this. Was Michael also mass communications or was he...?

Evan: No Michael was sociology and computer science. Michael was the guy that in 1993 was already the guy that you went to to get a website.

Michael: So he is the tech guy of the Evan's Machinery Pipeline. He built the system, you had the vision and you went out and sold it and made sure that people were buying and selling on there?

Evan: I was the bulldog.

Michael: And what happened to that business?

Evan: Well eventually I was sitting there in my office at a company called Joe Clar and Sons and I had been selling machines with them (in partnership with VMI) because they were my employer before I started this website. And one day we started selling machine tools that were called turret punches from Amada. And these were selling for \$250,000 to \$500,000 each. And I sold 10 of them in a short amount of time. They lowered my

commission. They called the big meeting into the office. My father predicted is: that whenever you start to make a lot of money as a salesperson look out the other shoe will drop. We sat around the table, eight people, and the owner of the company said we are selling more expensive machines today and so we are lowering your commission by 2%. And I put my keys on the table and I walked out. And that was the end of Evan Machinery Pipeline and that was the end of Evan selling machines also.

Michael: But you learned about domain names through the process and the power of the internet. And you stated amassing domain names. Today how many domain names do you own through HuntingMoon.com and in what TLDs?

Evan: We are mostly a .com buyer. We experimented with .nets, .orgs, and .biz. We just found that our success rate with .com has been very consistent and continues to grow. We started buying up domains, some of the early domains that we acquired were actually from end users. They weren't from hand registrations. So we paid big bucks and one of the first domains that we bought was CheapFlight.com. And then we sold that to CheapFlights.com and CheapTickets.com as they were merging. And we bought Spend.com and we bought PornStar.com, which we bought from L & H Apparel which was a clothing company and we then we eventually resold. And we started amassing domains via end users but an interesting thing happened along the way.

In the early 2000s we were playing golf at that country club here in San Raphael, California and we went to go book a reservation online and it said that their domain or this domain was expiring. We contacted the golf club which is called Peacock Gap and we said hey renew your domain. They wrote us back and said what do you want from us? Why are you soliciting us? We said no we play golf there. Long story short they don't renew the domain. We said to heck with it we will take the domain. We parked it with Google and all of the sudden we are making \$3/\$4 a day. We then called them up and said we will give you this domain give us a couple rounds of golf or something (some consideration). They told us to go pound sand. They are changing the name of their website.

What happened was we learned about this business of expiring domains. We built a whole system for capturing expiring domains which is now available for others to use at pddw.com (Pending Delete Domain Watcher). And people can now use the same system that we used. We built a whole mess of filters including traffic scanners that looked for Alexa rankings, inbound links from DMOZ, Google, Yahoo, etc, and so the same tools that I used to acquire domains all these years is that. We have what we call Domain Freedom Day. Domain Freedom Day is the day each year where all of our registration fees and domain expenses have been met. Last Domain Freedom Day took four months to hit. This year it took three months to hit...So all the rest of the year it's gravy time. And it is a beautiful business. Domain name is an exciting, fast paced business. I would highly advice people that area buying stocks, bonds and art and gold and precious metals to switch gears and buy domain names. Become a domain speculator.

Michael: Let me ask you about a couple of these domain names that you bought early on. Do you remember what you bought CheapFlight.com for?

Evan: Cheap Flight it was part of a package that we bought from a company that was in distress. And in that package were about four domains that we paid a few hundred thousand bucks for. And one of the domains was PointSpreads.com, we sold that domain. And Spend was in there, we sold that. Cheap Flight was in there, we sold that. And there were a couple other names in the packet as well.

Michael: Do you remember what you sold CheapFlight.com or Spend.com for?

Evan: Spend we sold for \$80,000. Point Spreads we sold for \$35,000. Cheap Flight we sold for \$250,000.

Michael: What about PornStar.com? Did you sell that one?

Evan: Yes PornStar.com we bought for about \$225,000 and we sold it for \$600,000. We also made \$400,000 using it over a period of a few years. And what was interesting about that one was that we were embroiled in a pretty nasty law suit at the time with one of our companies. And we were

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able to liquidate PornStar.com in order to fund our legal defense and it saved our butts. It really did. We have had some challenges along the way. Nobody gets to be in business this long without some challenges.

Michael: So if I go to HuntingMoon.com I see a bunch of terrific domain names, some of which are brokered and some of which you own. Do you know roughly how many you own right now?

Evan: We own about 6,600 domains at the time.

Michael: And when you say we in terms we for the business and we build pddw.com early on for dropping domains. Are you referring to you and Michael Landau?

Evan: Yes and Essociate.

Michael: So Michael is your partner in the business?

Evan: Yes Michael is my partner in the business. We did a stock offer to fund a big, couple of acquisitions along the way so we have some other shareholders. Also our employees have vested stock. So there are really more than a dozen partners now in Essociate although Michael and I control the majority of the company.

Michael: And you have got about 10 employees you would estimate?

Evan: Eight employees. And several outside employees that work part time.

Michael: And if you had to give up all of your domain names except for three, which three would you keep and why?

Evan: That is a tough question, Michael. I would keep that domain names that we are currently using because I have a vested interest in those domains. The rest of my domains I treat like inventory. This is one of the battles that we fight with our HuntingMoon sellers that we broker for all the time. They fall in love. As soon as an offer comes in they fall in love with the domain that generated the offer - And for our business purposes we like throughput.

We treat our domains like inventory. If there is a generous offer and it is a significant amount of profit, every single domain in our arsenal is for sale.

Michael: So you'd keep HuntingMoon.com, you'd keep Essociate.com, what is your third?

Evan: I would keep pddw.com. Or actually I'll swap that. I would generesearch.com. I have this affection for that niche and I would really like to start sort of a white label genetic testing business. So I like gene research. The other one I would keep if I could add to that would be hitup.com and hitmeup.com.

Michael: What is the idea behind those?

Evan: Our third partner Rodney Weiss and Michael were at a Phish concert. Don't get me wrong I hate Phish. I went to a few of the concerts and it's droning, it's horrible music, horrible music but it did inspire an idea. There was some Twitter hash tag things going on. There was desire on their part to have more functional micro blogging and the concept was functional micro blogging instead of just vomiting out I'm at the super market why not text yourself your super market list and it increment the database and have stuff happen there? So our current hot app on hitup is called Party Wall. And with Party Wall you can have live events and the audience can interact with other people in the audience via text message to a display at the event.

Michael: So it is like a hash tag but it doesn't use Twitter. It uses...

Evan: Our own platform, right. We use our own platform. There is an app, there is text messaging, and also emails are other methods that people can post and display. And we plan to open up the platform to other developers (who will make their own applications) and that is when we see hitup and hitmeup really taking off. Hitup is the anchor prize side. Hitme up is the side for the end users that will be a free service.

Michael: Excellent we will have to go check it out. So let's start with a little background on the HuntingMoon.com business. You mentioned you started in the mid '90s or so. So let's go back in time. When you first started buying

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domain names, even before you had the HuntinMoon.com business, what was your process for buying domain names?

Evan: We would scour forums. There were already some auctions happening early on. And we would contact end users. And there was a good amount of communication where people must have been talking us as a domain speculator because people with domains were writing us regularly.

Michael: So you would get a lot of emails inbound saying I'd like to sell these domains and you would negotiate a price on the portfolio, buy some on auctions, you'd contact people. You would just think of a domain name and you would go there and it wouldn't be resolving so you would contact them and ask if you could buy it?

Evan: Yes.

Michael: And it changed over time? Like what you do today is it different today than what you did in the beginning?

Evan: Yes, we were buying a lot at SnapNames auctions in 2003 and on. Once we had that golf course experience where we had that expiring capture that was making money all of the sudden we got very in tune with NameJet (well before it was NameJet) and SnapNames and Pool.com as well at the time. And so we started looking for bargains. We went bargain hunting. We were used to spending \$50,000 - \$100,000 on names we liked. And then flipping those or keeping them. But the volume play for us came in about 2003 - 2004 we started buying up these expiring domains for \$60 - \$70 - \$200. And today things are a lot different because when domain tasting really backed off, when the rules changed and registrars only had a limited amount of domain tasting they can do the availability of the domain names that we wanted increased, our capture rate increased and so now it's very common for us to capture two or three domains per day for a reg fee. We built our own snapper to go out and get those names with a hand reg and pretty much every day we get a couple domains for hand reg expenses.

Michael: So you will actually wait for the domain to go through auction, not be sold and then you will buy it for hand registration after it drops?

Evan: The pddw system that we built identifies which domains are Snap Name's priority or NameJet priority versus which domains will be readily available at any registrar. And so we are actually targeting the domains that are not Snap Name priority and not NameJet priority because we will let Vertical Access, we'll let Buy Domains, we'll let Mike Mann, we'll let Mike Perkins and we'll let all those guys fight to the death for those names. We are like a scavenger bargain hunter at this point. And it is working very well. For us that's the motto. We don't want to get into a pissing match with these guys. We are a boutique company.

Michael: Your attitude is there are enough domain names registered at registrars that aren't partnered with any of the auction houses like NameJet or Go Daddy or SnapNames and you can get them as soon as they actually drop because they don't go to auction?

Evan: Exactly.

Michael: That makes sense. So when you said that you were buying the names for \$50 to \$100,000 in some cases did you ever get burned? Did you buy a domain name for \$50,000 that you thought that you could turn around for \$100,000 and you were never able to sell?

Evan: Spend.com was the one that we took a loss on. It was part of a larger package that we made an overall profit on but we paid about \$125,000 for Spend and we sold it for \$80,000. We just got to the point where it was a high offer. We didn't feel the domain was useful for us in any regard and we were going to turn that \$80,000 into more money in another way.

Michael: Yes cash you can use for something else. You probably look at the entire portfolio and you say we bought the entire portfolio so we are still in the black.

Evan: We are getting burnt on .net. We are doing okay with .org. We have excellent traffic runs with .biz captures even. No real flips but .net we have taken a beating on. We bought a whole bunch of dictionary .nets and there is absolutely no volume on the .nets for us.

Michael: Were you finding there was no volume because people aren't pro-actively coming to you and making offers or do you pro-actively target end users and you offer for them the single word dictionary .net and they are just not interested?

Evan: We are not currently actively promoting in the .nets because it wasn't fruitful when we tried it. We've tried to blow them out on Name Pros and we moved a few but when we were investing in .nets nobody knew...you know everyone thought that was going to be a close second to the .com but it had turned out that .org was the close second to .com. So we have done well without .org portfolio but .com has been the bell ringer for us.

Michael: So when you first started selling domain names you would buy them, you and Michael would buy them, how did you sell them? I would assume that today you have a wide following. I subscribe to your newsletter. What is your newsletter following on HuntingMoon.com?

Evan: The newsletter, I would say the action has really moved to Twitter and so we have almost 1,000 followers at Twitter and when we post on Twitter there is a reaction. There is direct messages, there is read tweets, there is action. But the mailer it seems to be we have a few hundred quality subscribers and the mailer has done significant business. But the mailer today is not as effective for us as Twitter and our forum partners and advertising partners. But it is a good avenue. So it is a few hundred highly targeted domain buyers.

Michael: So now you have got more exposure when you have a domain name to sell, whether it's yours or you are brokering it. At the beginning what did you do to actually sell the domain names?

Evan: Sit back and wait for a 'who is' inquiry pretty much.

Michael: So you would park the domain name and say this domain is for sale?

Evan: We would park the domain names with Fabulous early on. And we would put at the bottom that Fabulous has a great interface where you can put this domain is for sale right at the bottom and they would link it for you to wherever you want.

Michael: What do you do today with your 6,000 – 7,000 domain names that you own? Do you still park them at Fabulous?

Evan: Some of them are developed. Some of them we built a proprietary parking seed with Price Grabber. So if it is a shopping domain or an ecommerce domain we will have a Parking Price Grabber of our own for a proprietary fee that is available through Essociate.com. We still have domains with Parked.com, Domainsponsor.com. Any kind of gambling domain we will have parked at Fabulous. They have historically been the best for those. But for us domain parking is kind of an afterthought. We don't rely on domain parking for...I mean it is just bonus money for us.

Michael: When did you first start a brokerage service to sell others domain names?

Evan: Good question Michael. We started basically posting on some adult forums with our own adult domains and we were abusing our privileges a little bit let's say because it turned out to be good business. We started posting on this adult forum and people started scanning our threads with our own domains. And a couple of times our buyers took interest in those domains in the thread and so I reached out to those sellers and I said why don't you list those domains in HuntingMoon.com. We will make you the first HuntingMoon.com third party person to list in there. And right off the bat we started selling names. We had a \$12,000 sale on a cams domain immediately. We sold an adult domain cumshots.com for \$90,000 which was a broker domain. And we decided to open up HuntingMoon.com as an invitation only platform for others to sell their domains.

And keep in mind too the original reason that we started HuntinMoon.com was because it was becoming a drag. The more domains that we had in our inventory the more emails we would get every day from 'who is' inquiries. I said domains can be just like eggs at the super market. You can walk into the

super market and pick up eggs, put them in your shopping basket, you are out the door normal. It wasn't normal to buy third party domains, put it in your cart there, pay for it and walk out the door. There was this whole long involved escrow process, negotiation process. And I said let's do a store, let's place there a buy it now pricing on each of these domains. Later we added lease to own with a 10% down lease to own program. Which we had several dozen customers using that. And we started to get impulse buyers. And they would buy their domain with a credit card, fax in some extra paperwork for our security and their security, a domain transfer agreement and in minutes they would have their domain. And so it has worked out pretty well.

Michael: So what year did you actually start the brokerage? I'm not sure I heard that.

Evan: I think that we didn't start brokering domains until about two years ago.

Michael: So relatively new. And so you first started brokering adult names, did you have a large percentage of your portfolio as adult oriented names as well?

Evan: Actually no. When we did that round at the last round we spent about \$700,000 in bulk buying from SnapNames and NameJet and DNForum and NamePros and that blast there was almost entirely main stream domains. Not adult domains. And so the bulk of our portfolio are main stream domains.

Michael: So just talking about adult names for a few minutes...I'm going to label just like I did Rick Schwartz's interview I'm going to label this one Rated R because I don't want my daughter to watch this. My son's maybe but not my daughter. So some of the adult names that you reported recently on Twitter through your account are BigCock.com you sold for \$80,000, CumSwapping.com \$4,000, VoyeurPornTube.com plus HardcorePornTube.com \$5,500 for the pair, PetitePorn.com for \$500 and on and on. It seems to me as an outsider who knows nothing about your process that you know everybody in the adult industry so when somebody comes to you with a domain name to sell you immediately reach out to the people you know and are able to actually sell it. Am I on or off base with that?

Evan: We have good strong relationships with the key buyers in the adult industry. And we have an amazing relationship with the key forum in the adult industry. So those two together make for an excellent partnership to liquidate domains.

Michael: Who are the key buyers? Not it's Tad over there but in general are they movie companies, are they online services? Who are the key buyers in adult names?

Evan: There used to be a lot of buyers. There used to be Mom and Pop shops, women in Galveston, Texas that blog when their kids are at school. They would make money and then buy more domains for search engine purposes. But today that has all changed. There is really a handful of quality buyers that have budgets ready to go at all times to expand their businesses. The free content that took over in the adult sector has devastated the little guy. So today instead of selling a lot of little domains here and there it's really the same buyers buying over and over again and at any given time there are three or four that are ready to rock and roll and there are another three or four that are ready to rock and roll with that. And as long as we maintain a good relationship with those buyers then we will have a constant stream of sales. Those guys are controlling the market.

Michael: What do those guys do with all the domain names that they buy?

Evan: Some of them are developing them into tube sites so like the You Tube phenomenon that crossed over into adult, they have a constant need for tube domains. Cams domains would be another place that is hot as can be so people are looking for Cams domains to either search engine optimize or actually develop with white labels, drop traffic to their own their own portal pages that there is type in traffic, and dating domains. They are looking for dating domains again for white labels or to drive traffic into their own dating sites. These are the places where you can still monetize online very effectively. So generic adult terms that are not Cams or dating are now more difficult to monetize and so the prices on those have come down significantly. They are still selling and you can still monetize them it is just

not the same as it used to be. Sales are down for the adult business across the board.

Michael: And these people that are buying them are they internet developers basically?

Evan: They are end users. We have a couple of buyers that speculate that they are just going to park the domains and try and flip them later and harvest whatever traffic they have but we are selling to a lot of end users.

Michael: What is the key discussion forum for the adult industry nowadays?

Evan: GFY.com.

Michael: And have you ever thought about... You know I see on TV these adult oriented trade shows. I think they have them in Las Vegas a lot. Have you ever gone to one of these trade shows and tried to make connections and find more people that are interested in domain names by going to an event like that?

Evan: Yes.

Michael: Was that successful for you?

Evan: Very successful. Last year I went to Web Master Access in Amsterdam around this time and it led to \$330,000 in sales. A couple of months later we had a follow up sale on Celebs.com for \$270,000.

Michael: That is a great domain. So tell me what your definition of a good domain is? When you are looking at the drops that are happening or you are looking at emails that are coming into you that have a ton of domain names and most of them aren't good, what makes a good domain name for you?

Evan: The number one word that I would say that it is logical.

Michael: Logic, in what way?

Evan: We see a lot of people that I would call daydreamers where they get it stuck in their head that their domain is quality for a reason that doesn't exist. A logical shorter domain...It doesn't have to be short but shorter, so two words. Once we get into the three word domains it drastically reduces the likelihood of a sale. One word and two word logical domains with keywords that we know buyers can monetize. So for example we know the word free is a strong keyword for driving traffic but if it has to do with boobs it may be less of a converter than if it has to do with like gay traffic. Gay traffic is known for being more valuable. So we are looking at the actual niche of the keywords and whether or not they are logical. And we know which spaces are being actively marketed and where people are making money online in adult. So we are targeting domains for those spaces. So we were one of the first companies to get into the tube domain business. So we actually amassed hundreds of tube domains early on and have had excellent result with those domains in the after markets.

Michael: So logical. So freeporn.com is logical, the two words go together because I'm sure that is a frequently searched phrase. Two words so that has a lot of value, whereas freelamps.com that doesn't make any sense.

Evan: Anything free is good pretty much because people out there are so cheap. But the reality is that you can tell very quickly whether or not you have got a hot domain coming across your desk or a pretty lousy domain because usually the whole portfolio is good or the whole portfolio is bad.

Michael: Toby Clements I recently interviewed he said the exact same phrase. The entire portfolio is good or the entire portfolio is bad. So while he maybe gets thousands of domains to look at per week he can look at a portfolio of 500 and quickly glance through it and say okay these are all bad. What's bad?

Evan: Bad is a lot of trademark infringing domains. Misspells, the words are out of order or backwards. If it is a phrase the words should be in the right order. And if you put the word 'the' in front of a domain it is less likely to be a hot domain.

Michael: The Facebook.

Evan: Except in that case I guess but I'm looking here at my list for our upcoming auction which starts September 15th and I'll just read you some of the domains and you can tell they are logical domains. SexTape.com, Erotica.com, Seniorcams.com, Nursecams.com, Localcams.com, HotGuys.com (which we actually just sold this morning so it is out of the auction)...

Michael: What did you sell that one for, can you say?

Evan: \$8,500.

Michael: Hot Guys. So is that like a gay domain.

Evan: I think the buyer intends to use it as a gay dating domain. AnalSex.com, CelebrityTube.com, Housewives.com...

Michael: A lot of these are single word great domain names so those are easier for a layman like me to look at and say those are great domain. The trouble is that gray area in the middle. You have got the great domains that you just read. You have got these domains that have type-ins or a in-front of it or the in front of it or are brandable domain names that you are never going to find the perfect buyer for. In the center you have PornFree.com. It is backwards but is it still valuable or not?

Evan: I would look at the monthly net revenue. We have buyers that will buy specifically on a multiple of the net revenue. So a domain like that that had powerful keywords but it is not prime will take a multiple of the monthly. So right now we are able to get anywhere from 20 months to 30 months time of a net revenue on a name like that. So yes if there is revenue there. Revenue is a key ingredient for us in flipping the bigger higher end domains and domain packages.

Michael: Are those revenues, those are developed websites, they are not parked?

Evan: In some cases they are parked and in some cases it is sometimes a multiple of the flip. For example Eric Borgos had \$1,500 a month in the parked revenue on his adult portfolio 4,000 domains and then he was making another x amount per month flipping names. Somewhere between \$10,000 to \$15,000 and we were able to get him a multiple of about [10] times and so the final sale price was \$1,300,000. And that was a good day for Eric.

Michael: That was a good day. I interviewed Eric a few months ago and he mentioned that sale and he seemed very happy with it.

Evan: Yes it took us about eight months to find a buyer but we eventually did. It's all timing.

Michael: So the domain names that are actually earning revenue you can get a roughly 20-30 month multiple of that revenue is that mainly adult domain names that you get that 20 – 30 times multiple or is that any domain name?

Evan: No in main stream we have actually seen multiples as high as 10 years. That would be 120 months time your net.

Michael: So really they are not buying it while you can come up with a multiple really they are not buying for the multiple they are buying it because that is just the value of the domain name.

Evan: The really savvy buyers, these larger buyers that are capable of buying these big portfolios they have done the math. And they know exactly what is a winner and a loser and they know right out of the gates within seconds I can shoot them over a domain with a revenue screenshot and I'll get a response back instantly. No hesitation on their part. Eric's sale at \$1,300,000 was open and shut in a matter of minutes. So the deal was the terms were decided, and invoice was generated, a wire was received from the buyer which went into our safe deposit account, the names were pushed to HuntingMoon safe transfer account, and funds were dispersed to Eric and the domains were given to the buyer all in less than 24 hours. Start to finish, \$1,300,000.

Michael: And what commission do you typically charge when you broker somebody else's domain name?

Evan: Our commission rate varies from 10% to 15%. It's a deal by deal basis.

Michael: The larger the deal the smaller the commission -- on that range?

Evan: Typically. We also do deals where we will take a higher percentage of the first \$1,000,000 and a lower percent of the second \$1,000,000. So for example, we have a sale pending right now on PornStar.com again. We have pre-sold it twice now. The company that we sold it to, a company called MALLcom came back to us and said you are the perfect guys to resell this domain for us. We just sold it for \$1,500,000. There was some revenue included in that sale so it's not domain only.

Michael: So you sold PornStar.com in the past. What was the amount you first sold it for?

Evan: \$600,000.

Michael: \$600,000 and have you sold it yet or is it still pending?

Evan: We are \$1,200,000 into a \$1,500,000 transaction. So there are roughly three payments left.

Michael: So how do you determine the value of a domain name is what I want to know next? So how do you know that the value of PornStar.com a couple years ago when you sold it was \$600,000 the value of it a year ago when you sold it was \$1,200,000? Now, I'm not sure when you sold it but in the past and recently.

Evan: What it boils down to what is the most money you can get at the time. So what is the most money that a buyer will pay combined with the money that the seller will accept, what is that a domain name is worth.

Michael: Now you as the broker you go out and find multiple people that are interested in PronStar.com and you will say give me your best and final offer and they will put in offers and then you may try and negotiate still. It is

your job to try and get the best price for your seller and then it also maximizes your commission, but what if you only have one person interested? How do you determine if that price that they are offering is a fair value for the domain name or if you are just hold it?

Evan: That is up to the seller. Our job is to find out what the market will bear on a domain name or a package. And once we find out it's up to the seller. So I have one of these right now, Gay.CO, so Gay.CO is listed in our upcoming auction. Right out of the gates we got a \$25,000 offer. The reserve is \$45,000. And of course the seller is grappling with this should he take quick cash and get some liquidity or hold out for the auction.

Michael: Where frankly nothing may happen. It may not materialize.

Evan: Right. I like liquidity. If you need \$25,000 well you may think the domain is worth \$75,000, \$50,000 whatever but 25,000 is my valid legit highest offer right now. So we'll see what happens over the next few weeks with the auction. But I don't think the seller is going to accept that offer but it happens all the time. It is all timing. So Celebs.com the asking price was \$500,000 and over a course of six weeks to eight weeks we developed a high offer of \$270,000 which was far and away the high offer. And the seller said I have another project I'd like to liquidate go get that offer. No problem.

Michael: So basically as a broker is to give a domain name as much exposure as possible, bring as many potential buyers into the equation, extract the highest bid and then hopefully the seller will take it. And the market will determine the value of that domain name.

Evan: Correct and we will be very aggressive as a broker as well in working with the sellers and buyers to make sure that close to the deal is close. Just because it is close don't mean it is going to close.

Michael: so sometimes you need to convince the seller?

Evan: It's not just convincing, like I discounted a domain \$250 off of our commission yesterday. We sold \$370,500 in domains yesterday, including HotGuys.com and several other adult domains. And I shaved off \$250 from

our commission to get the deal done. It's a no brainer. We handle negotiation as an acquisition agent and I can tell you from working with companies like Vertical Assess or some other companies, they won't budge. They will not budge. You can say whatever: let's flip the escrow and this and that and they won't even do that with you. So I find that by being malleable we can make more deals happen. It's all about Groupa. Again it's not about can you get another \$1,000, can you get another \$5,000 it's really about can you turn domains liquid because a sell through rate is still a minority share of a portfolio no matter how many domains we sell it from in a portfolio it's...usually, a very small percent dishes out a portfolio.

Michael: That makes sense. So what separates HuntingMoon.com and your brokerage business from all the other domain brokers and auction houses in the market?

Evan: You know it's a proprietary system that we built from the ground up and we've only populated the site and the store with high quality domains, domains that are in our opinion high quality enough to list. We have taken the grunt work out of finding domain names for domain investors and users that need a brand in. The problem that I have with the larger marketplaces is that there is a lot of noise. So we have disrupted that noise and really distilled down all that noise of everybody hawking their crappy portfolios for the most part, and distilled it down to the cream of the crop, the top notch domains. And then we have this sort of white glove approach to the buying and selling process and the actual closing of a transaction where buyers and sellers really have a good interaction with us on ICQ, Skype, Instant Messenger, Phone, G Chat, email, forum posts. We will keep them abreast every step of the process in person. We will answer all their questions. We always answer the phone. We always return phone calls. We always answer emails. Every single email inquiry, chat will be responded to. And there is a security level that builds up over time. We have a lot of testimonials that come in from happy sellers and buyers that this was the easiest, fastest transaction of my life. This was the most satisfying sale of my life. This was the easiest lowest stress, lowest hassle... We have a 100% success rate. We have never had a buyer pay for a domain and get screwed. We've never had a seller sell a domain and get screwed.

Michael: And I can understand why people would want that customized individual customer service as opposed to going to one of the big shops where you are just a number and you are just listing a domain in hundreds of thousands of domain names. Let me ask you this question, I've got two more regarding domain names. Lease to own with 10% down. You mentioned that you do that. If I identify a domain name that I want to buy, it is on your list, it is listed at \$100,000, I say I'll up for \$60,000 or \$75,000. Let's say that the seller says okay but I want to finance it. Can I put 10% down on that and then finance it?

Evan: Most sellers, including us, welcome financing. And there is a couple of reasons why. One you are going to have a close or sale where there would be no sale. That 10% down payment and that monthly payment far exceeds the value of any kind of domain parking in most cases. And right out of the gates you are profitable on your asset.

Michael: And you don't actually give the domain asset until it's fully paid off?

Evan: Correct. And we have seen some success stories. What is beautiful about this business is it again it started as a request from a customer. We had a customer that was buying a domain called CreditSaint.com. And he said I'm willing to pay your guy's price but I want three months to experiment with this domain before I commit to the whole price. Let me put down a deposit, you can keep the deposit, I'll pay a monthly fee for the next couple of months. My partners and I will see if it is a viable business. If it is we will buy out the domain. If it is not we will walk away.

Michael: How much should you put down in a case like that where you want to try something out for a few months?

Evan: 10% down. So what we do is we have a 10% down payment then the balance they have either three months, six months, a year or two years and there is a 9% apr on the payment. The payment is actually paying a 9% annual interest rate. And it is automatically billed each month. It's a nominal amount. In a case of like a PornStar.com they are actually paying by wire transfer because it is a big number. But most of these are done with a credit

card. So in the case of CreditSaint.com we built this whole system for that domain and it was a success story. If you drive down freeways on the eastern seaboard you see billboards for CreditSaint.com. I saw one coming out of Newark Airport a year ago.

Michael: So I can see a domain name for \$100,000, I can put \$10,000 down on it via my credit card and then I can finance the remaining portion for something around 9% for a couple of years and you can automatically bill my credit card every single month.

Evan: Absolutely. And we love it because it's a win/win. You made your sale, you have got your cash flow - it is a steady cash flow. And if the buyer doesn't complete the sale you keep your asset and your money.

Michael: Let me ask you this. On August 1st you wrote on Twitter "Happy Hunting Moon Seller's Day today with \$367,500 in seller disbursements today". Was that \$367,000 for one month's worth of sales?

Evan: That was one day.

Michael: One day! You disbursed payments to sellers every single day?

Evan: We disburse payments to sellers immediately upon their fulfilling their transaction requirements. So the minute that the sell has pushed the domains to us or domains have completed transfer we immediately release their funds, which could be in minutes, days or a week. It is up to the seller.

Michael: What if it is a credit card transaction which has a time period where the purchaser can actually cancel the credit card transaction? Do you hold the money a certain time period?

Evan: No what we do is we require purchasers to complete the extra form where there they are sending the front and back of the credit card and a basically a declaration that they are not going to charge back and they are going to recognize the charge. And we have never had a charge back. In many cases we are actually even front the money to the seller just to get a

quick sale done. We want happy sellers. We know we are going to get the money in three days anyway from the merchant account.

Michael: Well that is one way to make a happy seller. I agree.

Evan: Happy sellers.

Michael: Happy sellers is important. How much does HuntingMoon.com make in sales per year? What is the total revenue?

Evan: It's millions of dollars. I would have to check with Michael on that one. I'll get you a number.

Michael: No worries. It's in the millions. It is somewhere between \$1,000,000 and \$10,000,000?

Evan: \$5,000,000 to \$10,000,000.

Michael: In total sales.

Evan: And growing. We don't take it for granted. I'm not bragging here. We are still a small boutique company with lots of stuff to learn and lots of room to grow. And for us to have this privilege of supplying domains and being this safe platform is something that we don't take for granted and as long as buyers and sellers are having a good experience then we will continue to look for growth. And we will be on the lookout for those next hot markets as well.

Michael: And so one last question about HuntingMoon.com. I see very few adult names listed on HuntingMoon.com that are anything other than .com. What is your view about the .xxx TLD?

Evan: I'm interested in it. Frankly my first reaction was oh people will always still use the .com and .com is king and it doesn't matter. It is just going to drive more traffic to .com blah, blah, blah. And I wanted to believe that. But today my opinion has changed. Today I said to myself people are horny. People are horny by nature. They are going to type in this .xxx, I think it is going to get traffic. And with that in mind I would think that it is

worthwhile to experiment with .xxx. So HuntingMoon.com has a one internet philosophy in line with ICANN and ICANN has approved this extension .xxx. And we are not in the position to debate the merits of .xxx. We will give it a shot. If there are happy sellers and buyers for .xxx we will be selling .xxx. We are here to meet consumer demand. We are not here to make a moral decision for people in regards to an adult extension.

Michael: That makes sense. Let's switch our focus to the other business you work on: Affiliate Marketing. What is a simple way to explain what affiliate marketing is to somebody that has never been exposed to it.

Evan: Affiliate marketing is a way for businesses to add a traffic on a performance basis. So rather than paying a flat fee for traffic they are paying based on performance and action as it is occurring. And for publishers it is a way for them to monetize their different placements. And so today those placements vary in such a wide range of ways. We have even made at Essociate.com any advertiser link can now be generating QR codes format - So a quick response code format is, you want to call drive in traffic, I don't know what you call that. It's QR format. People scanning their phones that can be anywhere out in the field or a magazine or it may not be online. So it is not web traffic anymore. We also have a new philosophy too of tying together television marketing with QR code marketing with web marketing to try and be more of a full service advertising engine. So for a lay person affiliate marketing is a way to monetize their sites and placements or of a way to get more sales for their business.

Michael: So if I wanted to create an affiliate marketing system I could give somebody a code and say every time I notice a unique visitor coming through this code to my website I'll pay anybody that can drive me that traffic \$1 a piece? That is affiliate marketing. I am paying you on based on the performance and you are performing by sending me people?

Evan: Correct.

Michael: And affiliate could be the sale of an eBook, it could be signing up for a service, it could be just the traffic, any of those?

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Evan: Correct. There are hot markets for sure. So like right now Discover Cards is a hot offer for us.

Michael: Credit cards are always hot aren't they?

Evan: Well right now they are always hot.

Michael: What is Discover paying per performance based on action?

Evan: Our payout on Discover Card is \$65.00 per new account holder.

Michael: \$65. So if I put a Discover Card logo saying apply now on my website, somebody click through your affiliate system to Discover and signs up I'll get \$65 a sign up.

Evan: Or more for volume. So FreeScore360 is another very hot offer which gives consumers a 3 in 1 credit report. They pay \$1 initially and we are paying \$25 to \$30 per new user on those.

Michael: So describe what Essociate does for people.

Evan: Essociate will help the design. Everything from the marketing campaign to the rich creative will provide rss feeds, we'll provide plug-ins like for data driven advertisers. We can create plug-ins that will actually pull live data from their systems and their inventory to show relevant results on our publisher's pages. What we also have to do to work is to work with our publishers and make sure that they maximize their placements and they have the best advertisers in our network because we have dozens if not hundreds of advertisers. And we need to match up relevant advertisements for the right publishers. And beyond there you want to make sure that you have an on time payout. So you always want to pay on time and make sure that your publishers have the revenue that they need to continue to grow the business.

Michael: So let's say that DomainSherpa wants to get into the affiliate market. We have got traffic, we have got people who are interested in the topic that we are publishing. It could be a startup entrepreneur, they could be just entrepreneurs that are looking to acquire a domain name, it could be

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domain investors, I come to Essociate.com, I sign up, how do you help me choose the best offers to place on my website?

Evan: Well for DomainSherpa.com I would say the best offers would be domain related offers. So for example we have right now SnapNames. So you can make up to 20% of the new profit on all SnapNames referrals and there is lots of domain selling every single day via affiliates. So I would match up offers like SnapNames and other complementary offers for your traffic.

Michael: And do I get a personalize representative that helps to say you know you also have a lot of investors that need some sort of financing so I'd recommend Discover Card because they can make their purchases on that? Somebody will help me choose the right ones?

Evan: Each publisher is assigned an account manager. Our account managers are extremely experienced. David, our Vice President, has over 10 years of affiliate marketing experience. And he can tell you in the blink of an eye what is going to work and what is not going to work. There is some testing involved. We will enable split testing so for one of our clients today we just created a split testing link where it rotates between multiple offers that we want to see what is going to work the best.

Michael: So let's say a domain name investor is listening to this. They have great domain names. CreditReport.com or CreditReport.biz and they are getting some traffic to it. It hasn't been developed. Can they come to Essociate.com and use your service to place affiliate campaigns on their domain name?

Evan: Absolutely. CPA (cost per action) marketing is a very viable alternative to conventional domain parking. Instead of getting a pay per click and humming along with your boring pay per click you can get some exciting action rolling and see how many sales you can convert and you will be paid \$25 - \$40 for these different actions instead of your measly .10 or .15 or .50.

Michael: Walk me through the process. I've got a great domain name. Right now it's making a couple of bucks a day. Let's say it's \$1 a day on parking which is probably a pretty good domain name at \$1 a day. I come to your

site, I sign up, what is the first thing that I do to take this domain name that is only parked and get a cost per action affiliate marketing campaign set up on it?

Evan: You would look at our advertiser roster and select the advertisers that you want to test and request approval. All of the offers in the associate require approval. Our account managers will actually look at your placement and the intentions before we activate your links. Once you are activated you can do a couple of different options. One you can simply grab your link, log into your registrar and forward the domain straight to your link.

Michael: Forward the domain name to the link that you specify.

Evan: Sure. Or we could do some sort of See Name or DNS based parking for you where we keep your name at the top of the browser bar so it is visible with the offer. Or you can create a Word Press blog. Or some sort of other incarnation of a mini site. And these are all different ways that you can go about driving traffic via your domain.

Michael: So if I get approved and I grab the URL from your system and I go to my registrar and I put in a URL forwarding that can be done pretty much in a day. And I can start making money. If I have to set up a Word Press theme myself I have to go find out a host and I have to set it up and I have to pick a theme and I take your code I guess and I put it onto the web page?

Evan: Sure, you could use anything from an rss feed to banners to having a little bit of your own unique content on the top of your blog and our ad surrounding it to it is a good user experience.

Michael: And the middle ground you said was actually setting a c-name at my registrar to point to your server. Is that a pretty simple process? Is it automated on your part I guess?

Evan: We have some levels of automation for bulk imports. And so we can take our tags for our different offers and run it against your keywords in your domain names to try and intelligently match up offers. But it seems pretty

easy for our publishers. We have never had a problem with anybody setting up a c-name or dns or redirection.

Michael: So then I set it up on my Word Press blog or do a redirection. When do I get paid?

Evan: It varies by advertiser. Essociate pays every two weeks. So once you meet each advertiser lag, so there is a payment lag to control fraud and allow for billing cycles etc. Once those payment lags are met you get paid every two weeks for the life of your campaigns as long as you meet the minimum.

Michael: Is the minimum something like \$100?

Evan: I think right now it is like \$50. And if somebody is below the minimum once they get paid. We will just pay them. And so right now you have options. You can get wire transfer. PayPal mass pay is the most popular method to pay. Regular old check by snail mail is fine.

Michael: How many publishers do you have in your Essociate system?

Evan: Right now there are 3,000 active publishers.

Michael: Wow. So, 3,000 websites that are displaying affiliate campaigns for your system.

Evan: 3,000 active publishers and each publisher may have more than one website.

Michael: That makes sense and how many advertisers do you have in the Essociate system?

Evan: I would say right now between 50 and 75.

Michael: Are you are liberty to discuss the revenues of Essociate?

Evan: Essociate is also in the seven figure annual revenues and growing.

Michael: One of the complaints that I hear and I read online about affiliate networks is that transactions get lost or they aren't tracked. Often times in my previous life of publishing I would have advertisers come to me and say I'll pay you on every new customer that I get or every new sale that I get and I would just decline those because there is no way for me to track it. I'm relying on them being honest. But at Associate you claim to have a process that is 100% leak free. How does that work?

Evan: We have gone through great lengths to have redundant tracking in place. So in our system you'll have a hard coded variable in the source code of the page. You will have a variable in the URL. You will have a cookie set for a return visitor. You will have a session id, and any other method available to us to make sure that we track the user. At the end of a billing period we then compare our data base with our advertiser data base one last time to make sure that we haven't missed anything. And so at that point we will actually find maybe some additional sales. It happens a lot with our dating advertisers that they are firing pixels and that we might find another couple of sales in that last audit batch.

And so for us it is critical for us to make sure that every single action is accounted for because let's face it our publishers are working really hard to get that traffic. As their platform it is up to us to make sure that every single sale is accounted for in order for them to go out and expand. If not they are just going to stay flat. And so what drives me crazy are these – I see our competitors that do cookie tracking. How can you track 100% of sales with cookies? You cannot. It's impossible. People have their cookies turned off in their browser. It's a win for the network and the advertiser because those sales are untracked. You can't credit a sale when you don't have a referrer. And so our goal is to have every referrer accounted for. And it costs more to do that. It costs more in server resources, programming resources and it costs more for us to do this redundancy.

Michael: But if I'm delivering a customer to a dating site let's say, and I'm getting a commission let's say 30% of every sale that happens. I'm just making this up. I don't know if you are set up this way at all. I know that I delivered a customer, you know that a customer was delivered to the

advertiser but once the customer signs up with the advertiser how do you know that a sale has actually taken place or not?

Evan: We are actually placing a pixel on the confirmation page. And so in that example in dating, we actually do pay per lead or pay per join. And so when a lead registered it is an instance pixel buyer and when a joined register it is a pixel fire as well as a data base that is capturing these hidden codes and that session id is also in there. So the advertiser is also required to have a separate data base that we can compare notes with and to make sure that everything is there. So our user is being tracked. If we can't do successful testing and successful confirmation of this occurring we won't put in the advertiser.

Michael: That makes sense. So let's say a domain investor takes one of your affiliate offers, puts it on their domain name, they build out a website themselves let's say, they put it on their website, they are getting some traffic because it is a decent domain name, is there a way that they can ramp up their traffic? What's a good way for them to get more traffic at a lower rate than what they are making via the affiliate?

Evan: I would say there is three main ways. One would be the media buys, the second would be to create an email newsletter based on traffic coming to their site so you can continue to remarket to those people, and the third would be that ad content on a regular basis. So having a staff of bloggers that can continually add fresh unique content to your site is a great way to suck in that search engine traffic. Media buys is fairly straight forward. You go out and buy traffic.

Michael: Okay great tips. I mentioned at the beginning of the show that you own a patent Evan. What is that patent?

Evan: We have multiple patents actually. So the patent that is sort of in the news is our Affiliate Pooling Patent. And what that patent is you would have to read the patent. You can go to Essociate.com and at the footer of the [Essociate](http://Essociate.com) is a link to download the actual patent and all the specs and you can read that. And it is a system and method for our networks to trade affiliates basically. We are pooling affiliates between networks without the affiliates

having to sign up at the other network. This was a system that we invented to solve several problems in 2000 – 1999 that we were having. So we had problems where there were liability issues with content, there were liability issues with billing and other issues that came up and we wanted to expand our range of offers and affiliates but we didn't want to take certain risks and we developed this system to do that, which we patented. It turns out years later, somewhere around 2002 – 2003 other companies started taking this model that we had developed. About 2006 – 2007 it became the actual standard for how new networks are getting offers and affiliates now and today it is very prevalent, very, very prevalent.

Michael: So you filed for this patent in what year?

Evan: I believe that the provisional was filed it had to be by 2000.

Michael: And it probably took two, three, four years for you to actually get the patent?

Evan: It took about five years. Our original patent examiner reviewed the patent and instantly approved it with no office actions.

Michael: Wow I've never heard of a patent getting approved the first time.

Evan: No office actions. And unfortunately that patent examiner before he could complete the whole process passed away of some sort of disease. And we had to start the whole process all over again. The bright side of that was again it got approved it went through every microscope there is at the patent office. But again it got approved and they actually added some life spans on the patent. So, on the bright side, we ended up with a few extra years of life on the patent.

Michael: Was it difficult for you to write the patent?

Evan: My business partner Michael he is also an attorney and so he has taken all the required classes for taking the patent bar. He hasn't taken the patent bar yet, he is too busy coding for us. But Michael does a great job of drafting the first round of the patent and then we kick it back and forth together and

I'd give him my feedback. He is excellent at interpreting my feedback. And that is how our business relationship has been all along. Michael is very details oriented. I have a lot of ideas coming in from everywhere. And together we are able to come up with these solutions to solve our problems.

Michael: So your business partner is computer science grad from Berkeley who also is a lawyer and understands patent law and he does all the coding for all your websites. Will you do me a favor and let me know if you and Michael ever get in a fight and break up because I'm going to move in on him.

Evan: If that happens I'm leaving. I'm retiring. I don't know what we would do without each other really. And our whole team – we feel that way about our whole team. So our staff has been with us. We have a great retention. Kendra who we spoke with her earlier who runs the front of the office has been with us now for nine or ten years. Brian Clark, our Assistant Administrator, has been with us for more than ten years. And you can go on and on down the line and we treat our people right and they treat us right and we are basically a family.

Michael: Well Kendra was wonderful and we got disconnected at one point that nobody will notice because I will put the videos together. I called you and Kendra picked up the phone and she seemed wonderful. I apologized to Kendra online for hanging up when I heard you dialing back on Skype. Kendra picked up the phone and said 'Corporate Office'. Is that the name of the company or is that just your corporate office?

Evan: We have multiple companies running so for us we know that they are calling on a particular phone line, it's just easier to answer...We used to answer the phone 'Internet'. And that was my big thing, I used to insist. And Kendra thought it was ridiculous. Why would I answer the phone internet? But this was going back to the late '90s. So I said answer the phone internet. We are an internet company. And now that we are doing television, we are selling campaigns for TV ads, we are doing hitup, hitmeup, you name it, so we needed a generic very simple answer.

Michael: So how does someone who is watching this show if their idea is worthy of patent? What advice would you have for them?

Evan: That is a very good question again Michael. You are full of these. They can do an initial search. They can go to USPCO.gov and they can start searching patent applications, issued patents. Start searching at Google and see if anything has been done before. Most ideas have been done before. The reality is that people will have an idea and they will think it is an unique idea and it turns out it's been done before. The next step in the process would be to probably engage a patent attorney. The whole patent process was designed for people to be able to do this themselves. You are supposed to be able to walk through the entire patent process as an individual and part of this constitution of the United States, it is what makes the country great, but you are going to have a higher success rate (in my opinion and maybe save some headaches along the line) to have a quality patent law firm. So in our case we were using Perkins Coie, here in San Francisco, and they helped us along the way with the patent applications. We have another firm up in Seattle called Newman and Newman that helped us with our patent enforcement.

Michael: So let me ask you about patent enforcement. There are millions of patents out there. There could tens of hundreds, I don't know. There is a patent for exercising a cat I found online, a patent for a devise for the treatment of hiccups, Apple won a patent for their IOS swipe to scroll gesture, Facebook won a patent for a news feed. With so many patents out there that nobody has heard of and everybody is online and creating businesses and just making money trying to put food on the take. How does a patent owner like yourself actually get licensing fees? How did you earn \$1,000,000 over the past year when nobody has probably heard of your patent for Affiliate Pooling?

Evan: They have certainly heard of it. And they continue to hear about it more. The reality is that I was at the Playboy mansion at a DomainFest party there a couple years ago. And I bumped into Derrick Newman from Newman and Newman and we were joking around and everybody was having a good time. It was an auction for autism with Jenny McCarthy and there is all this celebrity memorabilia and 300 girls in bikinis walking around and the world elite domainers are there and low and behold I bump into this guy in a Brooks

Brother's suit - A very formal guy. And I can tell he is a lawyer from a mile away. And we are talking and he says so is there anything I can do for you? I said you can enforce my patent. He said call me Monday.

Long story short three months later we had our first patent enforcement and you basically to license your patent you have to (in this day and age) sue the people that are using your technology. And the premise is that we want to enable them to use the technology and we want to protect our patent at the same time. We are not looking to put people out of business. We are not looking to stifle innovation. We are not looking to do anything but protect our invention and protect our way of life and help to grow our company and distinguish our company at the same time we are enabling others to be able to use our technology. If they want to not use our technology and build another direction that is their prerogative. The reality is that affiliate pooling is a very viable and successful proven model for making money.

Michael: So how does your attorney, who is enforcing your patent, discover other people who are doing something related to your patent and then enforce it?

Evan: We can tell by going and signing up for their programs, inspecting the back ends, looking at the link and stuff like that. That is all I can say on that topic.

Michael: If somebody has a patent right now and they think that somebody else is using their patented idea what kind of licensing fees can somebody expect from enforcing a patent?

Evan: The licensing fees could be anything from a flat rate that you are saying here is your flat rate to a percentage of their sales. And so when you are working on a patent license the biggest factor are the financials of the licensing.

Michael: So really you need to find somebody, an attorney or firm, that specializes in patent enforcement in order to get the best return?

Evan: You need a good law firm. And at the end of the line it needs to be a patent attorney because if you go to trial you will have to have a patent attorney in the courtroom or there is no trial.

Michael: That makes sense. You have an auction. By the time that this show airs it will be in progress. Can you tell me about that auction?

Evan: Sure the auction is for Webmaster Access Amsterdam. It starts September 15, 2011. In the auction are about 800 amazing names. I think the best collection of names one auction with an adult theme ever. And so I sent out the auction list yesterday to two of our buyers because we are about to publish this list by bid at HuntingMoon.com. And I wanted to get their feedback just sort of a gut reaction as to their opinion of the list and that is where the \$370,500 in sales came from yesterday. And we got the wire this morning. They are done deals. That is how HotGuys.com was sold, etc. That was a good reaction to the list. And they said it was a kick ass list. So we are confident that when people log in to Bid.HuntingMoon.com they are going to see an amazing assortment of names and many of the names have already been in our store for awhile but the reserves have been drastically reduced for the auction to encourage bidding which is nice. And we also acquired two new portfolios that have never been listed before. So one is from a company called Netcork with they own FreeGatePorn.com, FreeLiveSex.com, Squirting.com, Nani.com and a whole myriad of domains which are in the auction which have never been listed. We have Eric Borgos dating domains from his mainstream portfolio. We also have Eric's entire mainstream portfolio for sale now if you want to jump on that bandwagon. And we also have a three letter domain, vos.com. We know people collect those. We have peoplesfirstnames.com, we have nikki.com, we have Brittany.com and we have amazing dictionary domains. Besides those we also have a small percentage of the portfolio which are lower reserve names that are logical keywords and usually .com that make good investments for development and good investments in general.

Michael: Now do I have to attend this event in Amsterdam in order to bid in the auction?

Evan: No it is a virtual auction. We have toyed with the idea of doing a live auction in Amsterdam and we just feel like with the amount of distractions and the amount of events already associated with this trade show there is approximately about 1,000 attendees who will be there that we wanted to give people time to do their networking , enjoy all the seminars and parties. And we wanted to wrap up the auction when they were back at home or back at the office or back focused on buying. So we are doing the virtual auction in our own platform at Bid.HuntingMoon.com. It will be September 15th to October 6th which is a Thursday.

Michael: What is the benefit of having the auction during the event? Is it mainly just the publicity? Are you buying advertizing to publicize the auction during the event?

Evan: The publicity is the key. Our advertising partner is GFY.com. And Web Master Access Tradeshow. And there is a full page ad in there, show circular, there's email that they are doing to all the attendees, they have given me free reign to go there and smooze and have a table and this and that and whatever we want to do to get the word out. And we even sentivised our partner GFY on this one to make sure that it is worthwhile for everyone. There is a buzz. This is one of their biggest events of the year and there is a buzz around the event and we are just glad to be a part of that buzz.

Michael: And the technology you are using at Bid.HuntingMoon.com is this the first time this technology has been used? Or you have developed it and...

Evan: We used it in January for an auction and I think this will be the biggest deployment of it yet, or the best tested yet. It is a fairly new back end system that we have developed and it is easy to use. Originally we put in some safeguards in there where new bidders would have to make a \$1 donation to verify that they are a real person but we have actually removed that out because it was discouraging the big buyers from joining. We made some enhancements to it but it is very easy to use, a very functional system, and you won't get sniped. So we have actually created a seven minute additional time window every time a bid comes at the end of the auction.

Michael: Within what period of the end of the auction?

Evan: Ten minutes. So if a new bid comes in within ten minutes you get an additional seven minutes in the auction. The other thing we have done is we made the auction anytime at 4:20 p.m. Pacific time. Why have we done that? Well we find that a lot of domainers are night people. And nobody wants to set the alarm to wake up for a Snap auction or these auctions that are ending at noon. We were actually losing business at our prior auctions because our biggest buyers were sleeping through the end of the auction. So we are trying to make sure that we accommodate our buyers.

Michael: So people watching this show on the day it comes out you have until October 6th at 4:20 p.m. at Bid.HuntingMoon.com. Evan let's finish with one action step that people who are watching this program can take. They have listened to you all this time. They want to go do something with what they have learned about affiliate marketing. What is the first thing that they can do?

Evan: Pick a niche that they are interested in. If you are going to do marketing and you are going to write for a blog or you are going to go out and expand your advertising in affiliate marketing and it is a performance basis, it helps to like what you are blogging about, working on, etc., because if you are interested in it and you like it then it won't feel like work. I think one of the biggest mistakes that people make and I've been guilty of it as well is they start a blog or they start a new site and they work on it for three months and then say no and they move on to the next thing and they walk away. If you pick a niche that you are interested in your chances are that you will stick with it long enough to see the results because hard work will pay off. If you continue to blog and Google will recognize it and they are controlling a bulk in traffic or you are using any social media, Twitter or Facebook, to drive traffic and you stick with it people will notice. Hard work pays off. Anybody can break through nowadays.

Michael: Great advice. If you have a follow up question for Evan please post it in the comments below. We will ask Evan to come back and answer as many as he can. If you want to visit one of Evan's websites you can visit HuntingMoon.com and Essociate.com, his drop service is pddw.com and of course the auction that is live right now is bid.huntingmoon.com. If people

DomainSherpa.com: The Domain Name Authority

want to follow your activities Evan to see what you are up to and see what you are selling can they do it at Twitter?

Evan: @huntingmoon for our domain stories of interest and @essociate for our affiliate stories of interest. And you can also join us on Facebook as well at Facebook.com/huntingmoon or Facebook.com/essociate.

Michael: And you also, you personally are on Twitter is people want to follow you personally?

Evan: I'm personally on under @evanhorowitz although I basically just remind people to check out our HuntingMoon feed and our Essociate feeds.

Michael: Evan thank you for taking the time and coming on to today's show.

Evan: You're welcome and thanks Michael for the chance to be introduced to your audience and keep up the great work with DomainSherpa.com. We really appreciate your contributions to this industry. And thanks for the platform today.

Michael: Thank you. Thank you all for watching. We will see you next time.

Watch the full video at:

<http://www.domainsherpa.com/evan-horowitz-huntingmoon-interview>