

BLOCKBUSTER \$2MM SALE OF FREEDOM.COM, ALL THE DETAILS - WITH ALI ZANDI



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Episode 389



DOMAINSHERPA.COM

Michael Cyger: The second highest domain name sale of 2017 was just closed, and you're going to hear all the details right here, right now. Ali Zandi is today's Sherpa. Stay tuned to learn more.

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Michael: 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. The second highest domain name sale of 2017 was just closed and was closed by today's Sherpa. I'd like to welcome back to the show, Ali Zandi, Founder and Senior Broker at Starfire Holdings. Welcome, Ali.

Ali Zandi: It's good to be back, man. Thanks for having me on.

Michael: Always, man. So let's just get right into it. What was the domain name that you just sold?

Ali: The domain name was Freedom.com.

Michael: Like, you can't buy freedom?

Ali: Yeah, like you can't buy freedom. And they just did.

Michael: Yeah, somebody just did. Freedom.com, and how much did you sell Freedom.com for?

Ali: Two million dollars.

Michael: Two million even?

Ali: Two million even, yeah.

Michael: Wow.

Ali: Yeah.

Michael: Ali Zandi...

Ali: He's back!

Michael: You know, you were out of the domain name industry taking care of life as you just mentioned on last week's DomainSherpa review, and you've returned with a vengeance.

Ali: Yeah, man. It lit a fire under me so big. There's literally nothing else I was thinking about there the whole time getting back into it and just owning everything I do, so.

Michael: That's awesome, man.

Ali: It's a good feeling.

Michael: All right, and so you're back prior to you taking a little breather your brand was Zandibot, now you're back as Starfire Holdings. Why did you change brand from Zandibot.com to StarfireHoldings.com?

Ali: Yes, I mean Zandibot is, I mean it's a fun character, it's you know, kind of my alter ego within the domain industry and it was really industry facing, it wasn't a, you know, public facing, business facing brand name. You know, I reach out to somebody who wants to sell a \$2 million, \$3 million dollar domain name as Zandibot. They might not take me as seriously even though I know what I'm doing whereas they would with a proper elegant brand. You know, I've been trying to buy StarFire.com in case anybody's asking. I offered the guy \$50,000 and he wouldn't take it, \$50,000. So, you know, Starfire Holdings it is, I like it, it works.

Michael: Yeah, awesome. And, you know, I think that's a great lesson learned for people that are just brokering their own domain names, if they picked, you know, something like domaindump.com, what does that tell you about people that are coming there to look at your domain names for sale, that's just a dumping ground, right?

Ali: Yeah, exactly.

Michael: Awesome, man. Well, it's great to have you back. So let's just back into the Freedom.com domain name sale. Did you represent the buyer or the seller?

Ali: I was representing the seller.

Michael: Okay, and then how did the seller find you? How did they even know that you were a broker in the industry?

Ali: They didn't find me, I found them. So it's kinda funny. I have Google Alert set up for a ton of different things and one of them notified that "Hey, Freedom Communications was just acquired." My curiosity got me to go to Freedom.com to see if that's the domain name they own, and sure enough, the company that acquired them also got the domain Freedom.com. So initially, I reached out to buy the domain name hoping I could get like, you know, a low six-figure price just to run away from it. However, for me like a client. And they turned out saying, "We won't look at anything under seven figures." And then I switched gears I'm like, "How much are you looking to get for it?" And they told me their number I was like, "You need to bump that number up a little bit." And after that, you know, we talked a little bit back and forth, they emailed me about some other names just to get an idea of what I thought they were worth. And after a few emails we moved onto me becoming their broker.

Michael: So it sounded like they were sort of feeling you out and making sure that they actually knew what you were talking about in some of those emails that they were sending back in forth.

Ali: Yeah, exactly. I mean they've worked with brokers before in the industry so they kinda know the game and they were just I suppose feeling me out and also getting, you know, information of how I value their domain names.

Michael: Yeah, so when you reached out to them initially to make the inquiry to acquire Freedom.com, how did you look up who to contact and who did you reach out to?

Ali: Oh, I use domain IQ for just everything, man. And you know, even their landing page has or had email address, you know, to be connected through.

And I sent an email to both WHOIS on their WHOIS and WHOIS on their landing page and I ended up talking to the guy who made the decisions.

Michael: So Freedom Communication was operating under Freedom.com, they were acquired and then Freedom.com just wasn't resolving anymore, it was just a landing page?

Ali: No, it wasn't resolving. You know, they have a lot of stuff using the servers and the hosting for Freedom, I'm not going to get into what but...

Michael: Sure.

Ali: Yeah, so it was resolving, everything was working fine, it just had a little note on the homepage.

Michael: Gotcha, so you emailed that email address, they responded back saying, "No, \$100,000 or six figures is going to work, it's going to need to be \$1 million and over." You wrote back and said, "Well, I think you're underselling yourself at \$1 million, I can help you get more for it." And then you went back and forth and chatted with them a little bit?

Ali: Yeah, exactly.

Michael: And who was the person at Freedom Communication or the acquiring company that was, you know, what kind of role did they have? How did you know you were talking to the right decision maker?

Ali: I could tell I was talking to the right guy, there was two people involved in there and, you know, I don't wanna mention names or anything for privacy reasons but they were higher up, they were in control of these assets, they ran a few things over there and yeah, I communicated with two people there and then it was eventually handed off to one of them.

Michael: Yeah. No, I understand you don't wanna say the specific names but was there a general role? Were they in the general council, were they in, you know, chief marketing officer role or generally who in the organization was responsible for the domain name?

Ali: Honestly, I don't know his exact role. It's probably good to know that stuff, right?

Michael: Yeah because people are always wondering like, "Who do I reach out to that's in the right position?" And I think it varies from company to company and there's no one right answer but I'd be interested to know in this case.

Ali: Well, there was never anything in a signature about what he does there, yeah, so he's probably their hired assassin to come out for people like me, yeah.

Michael: You don't even know his role?

Ali: No, no idea. I just know he...

Michael: Go look him up on LinkedIn. Go to LinkedIn.com and type in his name and see if he pulls up under Freedom Communications. Who acquired Freedom Communications? I can't remember.

Ali: Media News Group did.

Michael: Media News Group. So then check out there and see if he has the title.

Ali: No, he's the senior vice president.

Michael: Okay, so an SVP?

Ali: Yeah, he's the VP. He's not the...

Michael: All right, so you went back and forth over a few emails and then went, you know, did you physically have to type in, "I wanna be your broker," or did you get 'em on the phone and say, "I'd like to broker this domain name for you."? How did you lock it down?

Ali: Yeah, so I didn't get too aggressive with it. I told them that they're not asking enough and then I said, "You know, in the future if you ever decide you wanna take on a broker to represent the domain name for you give me a call and I'd be happy to help you guys out." I just left it at that. A few days later he emailed me.

Michael: Sweet. And did you actually sign a written agreement with them that you were the broker and you were gonna represent them for a certain period of time and were gonna charge a certain commission and blah, blah, blah?

Ali: Yeah, absolutely. I have an EBA, a standard EBA that I send out and we just fill in the blanks of the domain names and the commission and the term. This one was a 90-day exclusive.

Michael: Gotcha. Ninety days, you gotta hustle to sell it in 90 days, man.

Ali: I knew this one was gonna sell. Everything in my gut was screaming. It's literally one of the best domain names that you can possibly own so this was a sure thing for me.

Michael: Yeah, and so you just an acronym, EBA or EDA?

Ali: EBA, Exclusive Brokerage Agreement.

Michael: Got it.

Ali: Yeah.

Michael: And so I should also mention, you know, some of the information you're not revealing because, you know, it just makes sense you don't wanna name somebody's name at a company that doesn't necessarily wanna be named. But this agreement, this sale was not under a non-disclosure agreement so that's why you've come on DomainSherpa to tell the story?

Ali: Yeah, exactly. I mean the personal information that's none of my business to share. Yeah, exactly.

Michael: Perfect. And so people are gonna be wondering like this is a mega sale. What was your commission? Typical commissions in the industry for a broker around 20% but they, you know, tend to go down if it's an easier sell like you know somebody that's gonna buy it immediately they tend to go down in larger domain names. How did your commission shake out in this deal?

Ali: Who's making 20% on seven-figure sales? I wanna be that guy. I don't know's making that much but, you know, I knew instantly that somebody else who is a qualified broker who knows what they're doing, they have Google Alert, they keep their eyes out. They were gonna come after it eventually, right? So I negotiated a fair percentage which is, you know, my business. And it paid out well, you know, I made a good lump sum of money...

Michael: Cool.

Ali: ...and it was fair, yeah.

Michael: Did they set the price, the commission, or did you set the price or was it, you know, a negotiation?

Ali: It was more they offered it and they said, "This is what we paid last time to someone who sold a seven-figure name for us." And immediately I knew there was really no point in me negotiating that up even if it took me an extra

five days to get the EBA signed, then I know that five days somebody else could've come up and be like, "I'll take that percentage, give it to me." And then I'm out.

Michael: Totally, yeah, exactly. You wanna lock it down. So what was the exact date that you locked it down, that you signed the exclusive broker agreement and was given the opportunity to sell this domain name? And you know, I wanna measure the timeline.

Ali: Yeah, we signed it February 8th.

Michael: February 8th of 2017?

Ali: Yeah, exactly.

Michael: Okay. All right, and so they reached out, you know, they responded back to you and like, "It's gotta be seven figures, it's gotta be over a million dollars for this domain name." And you said, "Hey, it could be even more. I think I could get you more." I'm not exactly sure what you said but how did you determine what the asking price should be on the domain name?

Ali: Well, I mean this one was a gut shot man, I felt instantly... I mean I'm not making it up, the gut is backed up by data that I've accumulated over time but instantly I felt \$3 million, \$3.5 million. I mean that's optimal pricing, optimal pricing.

Michael: Sure.

Ali: You know, a company that's doing \$300 million in rev a year could afford this, it's what, like 10% of their marketing budget which is 10% of their revenue, whatever that math ends up being. So I knew that realistically, \$3 million was possible because there are some major players out there working under the name freedom.

Michael: Yeah, and, you know, I totally get it you gotta look at the companies that are operating off of sub par domain names associated with their brands. And if they're in big industries, you know, some industries are really big but the margins are really small so they may not have the marketing budget and may not have that slice of the marketing budget to buy the domain name. I looked in EstiBot and because the sale you're announcing today is not even in EstiBot yet so I like to look up the values before they suck in the numbers real fast and change the value of the domain name. It says about \$600,000 today. And if I didn't know anything about this and you called me up, and I didn't know any of the companies operating in the space and I didn't know anything I would say \$600,000 is probably a fair retail number. And I scrolled down on EstiBot and I can see that Housing.com sold for \$500,000, Jackpot.com which is a phenomenal domain sold for \$500,000. Rebates.com sold for \$500,000. Why did your gut tell you that freedom was worth more than \$500,000 or \$600,000, that it was worth \$3 million order of magnitude?

Ali: Yeah, well actually I think it was like the second or third day I was brokering it I got a \$500,000 offer on the table and you know, if that happens within a few days that alone tells me that this thing is a monster. But the word freedom, I mean that is rooted in everything that is human, man. We're all striving for freedom whether it's spiritual freedom, financial freedom, mental freedom, physical freedom, location freedom, whatever it is, that word it's not only American, it's just deeply rooted in human behavior, and the need and the drive and the desire to be free so I knew instantly that \$3 million was like the perfect asking price for it.

Michael: Gotcha, so you're just looking at all the possible uses of this domain name in many differ industries to come up with that figure? Because when you set the \$3 million price or when you told the media company that acquired, I forget the name of it, that acquired Freedom Communications that you could probably get more than \$1 million. You had some idea that there was gonna be a lot of use. Did you do anything else or was it sort of just, "I know all these possible uses." Freedom of, you know, religion,

freedom of, you know, mental anything, financial freedom, you know, did you sort of run through that and use that as your gut check, to begin with?

Ali: Yeah, I actually didn't even look up any companies under the brand. I mean it's such a... [inaudible 00:14:04] taught me this. It's such an empty vessel that literally anybody can use it as a brand. So just that knowledge alone means there's hundreds, if not thousands of companies operating under that name and that drives the value way up.

Michael: Well, let me push back for a second because StarFire I think could be an empty vessel that any brand could operate under too, is it worth \$3 million?

Ali: Well, it's not a word like freedom, though.

Michael: No, it is not.

Ali: You know if you put 'em next to each other... Yeah, it's not freedom. I mean the search volume obviously that's what your hinting at. I mean the metrics behind it too are extremely crucial, right?

Michael: Massive, yeah.

Ali: Massive, yeah. I mean...

Michael: Yeah, you scroll down to the bottom you can look at just the exact matches for freedom, so we're not talking about searches that involve freedom of religion or freedom from persecution or anything like that. And it's 367,000 per month.

Ali: Yeah, just the word freedom.

Michael: Yeah.

Ali: And then you start throwing in all the relevant searches and you're in the millions, man.

Michael: Yeah, definitely. Okay, so you did look at some metrics to get an idea?

Ali: After.

Michael: After?

Ali: After, yeah. I mean just to verify that I'm not out of my mind and this is a \$500,000 domain. But it's become I'm an STO guy too so I study keywords, I look at the surfs, I get what goes behind ranking so hearing that word I already know that it's going to have incredible numbers so that helps me, helps my gut. I mean it's, you know, it's already backed by data that I've accumulated but then I go and verify it with all the metrics I can get my hands on.

Michael: Definitely. Did the seller tell you what their floor value for selling was?

Ali: Yeah.

Michael: They did?

Ali: They did.

Michael: And clearly it must've been over \$1 million?

Ali: Yeah, and the sale price was well over their floor so yeah, that's about all I'm gonna say on that.

Michael: You won't tell us what the floor was?

Ali: No.

Michael: All right, it was over a million and less than \$2 million?

Ali: Yeah, exactly.

Michael: All right. So you signed the contract, the exclusive broker contract on February 8th, 2017. What's the very first thing you did when you started to sell the domain name?

Ali: I sat and I thought. I just, you know, first I was surprised, I was like, "Wow, I get to broker..."

Michael: You're like, "Wow, I just locked down the biggest domain name of my life."

Ali: Yeah, this is the first seven-figure name I've ever been able to get my hands on and sell. So you know, I was wild and I was like, "I have to do this." What just happened in my life and the word freedom they go hand in hand. It was kind of like this, "Wow, the universe..." Anyway, I get into the metaphysical aspect of it later but I thought about all the possible brands, all the possible people that are out there, all the companies that can benefit from this whether it's a bank like Chase, whether it's, you know, Apple, whether it's Verizon, a sprint in, you know, the banks that are out there, the mortgage companies that are out there. Like who on earth can I go after that would see the value here and Acquire? So those were my initial thoughts and then afterwards, of course, I started hunting, you know, companies and building my list of who to contact and who at the company to contact, so yeah.

Michael: So, number one, think. You're thinking of all the possible uses. When you're thinking through things, Ali, do you do like brainstorming, do you do like a thought map? Do you just start putting stuff down on paper or does it all just stay up in your head when you're thinking about...

Ali: Yeah, it lives in my head. I have a notepad in there. Yeah, I don't write anything down, I just figure if it's worth remembering I'm gonna remember it so only the best ideas stay for me to write down later but yeah, I just brew and brew and brew and come up, like I visualize the company and their commercials and the billboards and the branding, so.

Michael: And then after you do that, what kind of research do you do when you go to your computer?

Ali: Well, the first thing I do I go to SalesForce. I use Data.com now. And I think ZoomInfo. I don't know if they got sold or bought out or what but their platform just went down the drain for me.

Michael: It did.

Ali: Anyway, yeah so I go to Data.com and I start looking for companies that are currently using the keyword that I'm selling, so in this instance it was freedom. There was a lot of companies, man, a lot of companies. And I hadn't started sorting by revenue, I was just...I wanna see how many contacts are there and thousands of contacts, thousands. So then I narrowed it down to sea level executives and revenue was over \$100 million and that narrowed it down. God, I think I ended up with like 10, 10 companies thought I thought would see the value, could afford it, and that I had the contact information to C-level executive of, yeah.

Michael: Cool. And then what did you do next?

Ali: So next I build a list, I put it all on a CSV, you know, I ordered by the company, the revenue, the point of contact, their phone number, their email address, their address, the name of their dog. I mean everything I can...every data point I can get about, you know, the companies I'm contacting I put on a CSV. And sometimes I use a ToutApp which is like an emailing system that allows you to send bulk emails and keep it personalized, they have these

special tags you can use in 'em. But this time I used Streak and I sent out individual emails. Streak is a Gmail plugin that helps you organize your Gmail and your prospect and your sales pipeline. You know, I have my lead pipeline, I have my contracted pipeline, I have my, you know, respondent pipeline negotiated closed and lost, closed and won, closed and potential client, so on and so forth. So after all that I started sending out emails and tracking them and keeping an eye on them.

Michael: Yeah, what do you think of Streak? I've tried it in the past and it overlays in your Gmail and it gives you a little dashboard and I didn't actually like it for some reason, I can't remember why. And that was probably over a year ago and they've changed significantly since, so.

Ali: It's still the same kinda roughly as it used to be. I'm not a huge fan of it but what I do love is that I can create a pipeline outside in like a different label, different folder, and whatever I'm working on at the moment I can kinda keep organized instead of searching for like who did I contact, when did I contact them, I can quickly look at it, see how many times they open their emails and if they clicked any links or anything.

Michael: So the big thing is you wanted to track where they were in the process, if they opened the emails, and if they clicked any links that you put in the email?

Ali: Yeah, and how many times they opened the emails.

Michael: Right, exactly.

Ali: That's important.

Michael: And so there's a lot of different apps that will allow you to track that information. You only sent out 10 emails?

Ali: I think it was like 10 to 15. When I started...

Michael: What if you found at company ABC you have the CEO and you have the chief marketing officer, would you send an email to both?

Ali: No, I usually start with the CEO. I mean they're the decision maker. In almost every instance where I do make the sale the CEO forwards me to the guy that he wants handling it because, you know, the CEO is ultimately the decision maker at the end of the day unless, you know, the marketing officer has a budget and the CEO says, "I trust you." Whatnot, but the CEO usually signs off.

Michael: So you're reaching out to companies that are over \$100 million? These aren't in revenue, these aren't companies like Apple and Microsoft. You're not reaching out to the CEO of like one of the Fortune 10 companies in the world where the CEO might not be the best person to contact. These are...

Ali: He's able to check his own emails at those contract companies.

Michael: Right, [inaudible 00:22:07] companies that are doing really well, that have great revenue but the CEO actually opens his or her email?

Ali: Yeah, exactly.

Michael: Cool. Okay, so you sent out the emails. What would you typically say in your first outbound email?

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Michael: What would you typically say in your first outbound email?

Ali: Like 15 words tops. Like seriously, I mean I've been a big backer of keeping it short and sweet, man because, you know, we all get emails, we all get spammed. I mean I'd wake up loads of garbage in my inbox, like 65 paragraphs of explaining their life story and whatever it is. I don't have the time to read that. I work 15 to 20 hours a day sometimes, man, like keep it short. You got a domain for sale? Put it in the subject line. Write one line to me. "Would you be interested in acquiring this domain?" End it with a question. And I'll either reply yes or no or I just won't reply at all. But these are high-level execs, man. They're running, you know, half a billion dollar revenue company they're not gonna sit there and read your life story so I kept it at two sentences, 15 words, you know, I just introduced myself.

Michael: Gimme a sample. Do you say, "Hi, Mike," or do you say, "Hello."? What's the salutation?

Ali: I switch it up, man, I switch it up. I'll put in the subject line their first name and then dash, you know, Freedom.com is for sale. That usually gets their attention. If they open that then at least I know that they're interested.

Michael: So you're sending it to me you say "Mike - Freedom.com is for sale." So it shows in my box from Ali Zandi. I don't know who that is but, "Hey, Mike. Freedom.com is for sale." Like that? I click on it then what does it say?

Ali: Then it says something along the lines of you know, "Hi, Mike. The domain name, Freedom.com is for sale. Is your company interested in acquiring this asset?" And then done.

Michael: Full signature so they can like look through everything, look at your LinkedIn?

Ali: Full signature, everything. See who I am, call me, yeah.

Michael: Website.

Ali: It's a professional signature, everything, they know I'm not wasting their time.

Michael: So no trying to convince them of anything, they either see the value or they don't?

Ali: Yeah, yeah. There's no point trying to convince them in the first email, man, they don't have the time, yeah, they just don't have the time.

Michael: So the only purpose of the first email is to tell them it's for sale and to ask them if they're interested?

Ali: Yeah, and if they're interested then we can get into the other stuff because they'll start asking questions. I'm happy to answer those, yeah.

Michael: Cool, and so of the 10 emails that you sent, how many responded back affirmatively?

Ali: I think it was like two or three initially responded. One guy basically thought I was the craziest person in the world for asking \$3 million telling me it wasn't worth more than, you know, lower six figures. I was like, "Okay, whatever." You know, and then the company that ended up buying it they didn't get back to me right away. I think I followed up once maybe twice and then I was forward to their I think chief technology officer who then asked me how much and I told him how much and they went dark but we'll get into that later.

Michael: Interesting, so you sent out a bunch of emails, you got two to three responses back immediately, they probably responded back, "How much?" Or, "I'm interested, tell me more." Or something like that, right?

Ali: Yeah, that's usually what they'll do. They won't even say hi or nothing, they'll just be like, "How much?" And that's exactly what I want.

Michael: What's your typical response back to an email like that?

Ali: I give them my number and tell them, "Call me if you have any questions."

Michael: That simple?

Ali: That's it, yeah. "Give me a call."

Michael: And you're like, "\$3 million, call me if you'd like to discuss it or you have any questions."?

Ali: Yeah, that's it because that's all they care about at the time. They wanna know how much it is. They'll go and discuss it internally, write up all their questions and then come back to me if they're serious.

Michael: Yeah, and so did all 10 emails get opened?

Ali: I don't think all of them did. I think most of them did but the ones that responded were opened multiple times so they were getting forwarded within companies.

Michael: Right, so if they see it open once then clearly it was opened by the recipient if you see it opened 14 times it's probably...

Ali: It's being passed around.

Michael: What does that tell you?

Ali: And Streak lets me know where it's being opened. Like where the location is, what kind of device it is. It's creepy but it's really cool, you know? So I can see it got opened on a computer in like LA, two minutes later it's opened on an iPhone in like Denver. So you know they're passing it back along, "Hey, what do you guys think? Let's talk, call me." So yeah.

Michael: Totally, so that gives you a little bit more data about their infinite level?

Ali: Yeah, and I mean if it's going up to like 20 views on the first pass then I'm gonna follow up a little bit sooner just to get an idea, you know?

Michael: Totally, so now we know what you do in your response back when they say, "Yes, I'm interested." When the emails don't get a response back, how long do you wait before you send them another email?

Ali: Usually, about a week. Yeah, I usually wait about a week. Sometimes, very rarely as long as you keep a clean Gmail account you're not gonna get sent to spam but sometimes it does get sent to spam because of their filter. Maybe they got domain name filtered out so you send another follow-up a week later, "Hey, just wondering if you received my previous email. If you have any interest, give me a call."

Michael: Yeah, and I've done some outbound as I've, you know, tested things in the past, and I find that if I use automated email systems for mailing sometimes that gets flagged because you send out 20 emails at a time and, you know, Gmail knows you're doing that and so but you didn't find that problem in Streak. So when you emailed them the second time, what do you typically say for that follow-up message.

Ali: Pretty much the same thing. Like if they don't answer, they didn't answer I just, you know, politely ask if they received my previous message and if they have any questions to give me a call.

Michael: So do you reply back to the original email so that it's inline below?

Ali: Yeah, absolutely.

Michael: Okay, and then let's say you don't get a response, the second best answer besides, "Yes, I'm interested." Is, "No, I'm not interested." Because then you know to just drop them, right?

Ali: Sometimes, sometimes I let it go. Sometimes I'm like, "Okay, they're not interested." Sometimes I just ask, "Why?" I just reply with, "Why?" Because I'm curious.

Michael: Has that ever been successful for you in the past?

Ali: No. They'll just say, "We're just not interested." And then if they reply to the why with, "We're not interested." I don't wanna be pesky and bother them anymore. But sometimes they tell me. Like, "We don't see the value in it." Like, "Why is a domain name this and that?" And then maybe I can give them some information and maybe when they're ready to buy a domain name they'll come to me because I was helpful, you know?

Michael: Sure, so you wanna be helpful the whole time because it could be...

Ali: Yeah, absolutely.

Michael: ...you know, lead to more business in the future?

Ali: It's a future client. Yeah, it's a future client, man.

Michael: Yeah, smart. And so at any point do you pick up the telephone and call somebody at the location?

Ali: Not often. I don't think I've ever done that, that I'd be the first to call. I don't like being pesky, I like people coming to the decision like this is their decision, they wanna hop on the call, they wanna ask the price, they wanted this, they wanted that. It helps with the sales process a lot.

Michael: Yeah, so who was the final buyer of the domain name, Freedom.com?

Ali: Freedom Mortgage, massive mortgage company, man.

Michael: Yeah, well, you know, generally speaking, financial services companies do pretty well. They have higher margins and, you know, depending on the scale of the company if this one's over \$100 million I don't know, then yeah, they could potentially afford a domain name like this. So they were one of the companies that you reached out to? You reached out to the CEO of Freedom Mortgage?

Ali: Yeah, they were one of the first companies that I reached out to. You know, I have a history in the mortgage industry, like I have families in it so I knew that they could really benefit. Like how much money is in this industry? They could really benefit from this so they were one of my number ones, yeah.

Michael: Cool. And did the CEO respond back to you himself or was it forwarded to other...

Ali: He forwarded it.

Michael: Somebody else in the organization?

Ali: Yeah, he forwarded me to the CTO or the CIO.

Michael: Okay, so the CIO contacted you and said, "How much?"

Ali: Yeah, yeah. "What's the asking price?"

Michael: And you responded back, "\$3 million."?

Ali: Yeah, I think it was like \$3.5 million.

Michael: Three and a half million? Okay.

Ali: Yeah, yeah.

Michael: And when you responded back do you say something like, "We're asking \$3.5 million." Implying that it could be less than that or?

Ali: Yeah, I say something like, "The asking price is \$3.5 million, let me know if you have any questions."

Michael: Yeah, and did he write back and say, "Yeah, I've got a lot of questions. Why is it worth three and a half million?"?

Ali: No. They went dark, dark. They didn't respond. I emailed them back two or three more times, nothing.

Michael: So like a week went by and then you emailed them again?

Ali: Yeah, I emailed again and then again and again. But the email was being opened. It opened like 70 times, man, 70 times. That's insane. I've never seen that before.

Michael: So did you literally email them again and again and again?

Ali: I think it was twice. I think it was twice or it could've been three times. I mean I was really pesky about that one because I don't know, I felt it, it felt right, man.

Michael: Did you wait a week in-between emailing so you weren't like...

Ali: The first one I did, yeah, then I was like two or three days between the other ones.

Michael: And then did you get on the phone or what did you finally do to get a response from them?

Ali: Nothing. So before I got like clingy and stalkery I got an email forwarded to me from the Freedom.com landing page the guys there were forwarding me inquiries and it ended up being Slade, the domain broker from Lumis Group. You know, I know him and his brother we've done deals in the past him and Hobi. So it ended up being him and he's like, he's asking me the price of the domain and I'm like, you know, I told him, "\$3 million." And we went back and forth he said he had a client, and I'm sitting there like, "Wait a minute, these guys go dark, all of a sudden Slade's giving me a contact saying he's got a client. I was like, "Dude, it's Freedom Mortgage, right on the money." And I gotta give a shout out to him, man. Those guys, it's such a pleasure to work with another broker on the other side. I mean it's like two lawyers working together or two mortgage brokers working together. It's such a pleasure to work with professionals on the other side who know exactly how the game works. So that had a big part of this deal closing.

Michael: Nice. And so you know, I would generally think that you would wanna try and do the selling for the seller and then close it for the buyer as well and so you keep the whole commission but sometimes doing a split commission just like you do in real estate where you have a buyer's broker and a seller's broker helps the deal go faster. It's things like that...

Ali: It wasn't even a split commission but, you know, on an acquisition side your buyer is paying you so he was paid by his buyer and I was paid by my seller so it wasn't a split. It wasn't a split.

Michael: Gotcha.

Ali: Yeah, yeah.

Michael: Nice, and so did you actually get on the phone with Slade and say, "Hey, is it Freedom that you're working with?" And you know, come to an agreement on what's going on here?

Ali: I already knew, I mean I already knew. And you know, eventually, of course, we both were on the same page.

Michael: Gotcha.

Ali: Yeah, instantly knew, man. I was like, "It just makes too much sense."

Michael: And so the negotiation then happened between you and Slade?" And how did you guys get from \$3.5 million down to \$2 million?

Ali: Well, Freedom Mortgage they went internally and talked. God, I think it was like a week, maybe two weeks. And then they presented a \$1 million offer. And of course, I'm sitting there thinking, "Okay, we could close this for a million but that's..." The domain is worth so much more, man, so much more. And you know, Slade and I are both brokers, we don't wanna battle with each other and negotiate. I told him, "Look, man, I could go down to

\$2.5 million but come up to \$1.5 million, we'll end up at \$2 million anyway, right?" I was like, "\$2 million is the price. Like it's right in the middle. This is what's gonna get it done." And he knew that and so yeah, that's what started it at \$2 million.

Michael: So you just said, "Let's just cut to the chase. Go to \$2 million."?

Ali: Yeah.

Michael: He went back to his client he got his client to agree with \$2 million and the deal was done?

Ali: There was a lot more involved in that but yeah, that's the gist of it. The agreement of the price was done.

Michael: Gotcha. So that was what was done on the price but there was other stuff involved?

Ali: Oh yeah, this was one of the most...not difficult but it was definitely one of the harder to get finalized deals that I've worked on. But as it should be, it's a \$2 million asset.

Michael: Yeah, that's a lot of money. So when it comes to finalizing an asset like this I would think that, you know, each side is gonna get their lawyers involved, the buyers are gonna write up the asset purchase agreement and then send it over to the sellers and the sellers are gonna have their legal crew look at it? And you know, they're a large corporation they're not gonna turn it around in a day or a few days. Is that basically how it happened?

Ali: Yeah, man, I learned so much about lawyers during this whole process. Red line, blue line, green line, black line documents. Yeah, man, they went back and forth for quite a while. I mean there's so much legal jargon that has to get finally tuned to get an asset like this moved over to a new company.

Michael: Yeah, all right. And so was that how it worked? The buyer actually wrote up the asset purchase agreement and then sent it over to the seller, seller makes modification, sends it back, they agree or negotiate, send it back? And each time was it going through you or did you just, you know, connect the legal teams from the two companies?

Ali: Yeah, initially it was going between me and Slade between the brokers back and forth he would send me the docs, I'd review 'em, send them to my client, they'd red line it, send it back to Slade. But then near the end, there were something things that I can't talk about that were happening where we decided, "Let's just get out of the way and let the lawyers talk."

Michael: Yeah.

Ali: There's always the fear of clients getting involved emotionally because you know, they're attached to the domain name but these guys are lawyers, they don't care. All they wanna do is finalize the contract, make sure it saves the company's ass if anything happens so eventually we just let the lawyers finalize it together and we just kinda waited for the black line to get done.

Michael: So you and Slade got agreement for \$2 million on a particular day. How many days did it take to actually, you know, get the legal agreements into place?

Ali: I think it was about two months.

Michael: Wow.

Ali: Maybe. Yeah, a month and a half, two months I think. I could be wrong but yeah man, it felt like forever. There was a time where I thought maybe this deal might fall apart but it didn't.

Michael: Phew. So what day... So you got the, you know, exclusive broker agreement on February 8th. Do you remember the day that you and Slade agreed, you know, got clients to agree that \$2 million is gonna be sale price?

Ali: I don't remember the exact day. Let me see if I can pull it up here. I think it was... Hold on, I'll get it for you.

Michael: Sure. I'm just wondering if it was like a month after you started working on the deal?

Ali: I'm gonna say it was about a month. I mean there's hundreds of emails I'd have to sort through to find the exact day but yeah, it was about a month.

Michael: Yeah, so you got it, you found a buyer and got an agreement on a price in a month and then two months later double the time you had to go through the legal agreements?

Ali: Yeah.

Michael: Oh, man. And then so oftentimes two lawyers will say, you know, "We don't need an Escrow, we can just transact because we have a legal paperwork, we're both in the U.S. We'll just take you to court if there's any issues." But in this case, you did use an Escrow service, didn't you?

Ali: Yeah, absolutely, man, yeah. We used Escrow. It just makes payouts and those logistics it's so much smoother and easier for the most part. Yeah because they gotta send the check or they gotta wire it over to them and the disbursements have to be made here and there whereas Escrow it keeps both sides...it's like an extra layer of security for both sides.

Michael: Yeah, and they verify that funds were received on a certain date and they notify then that the domain name has been transferred? And so you're talking about Escrow.com, right?

Ali: Yeah, we used Escrow.com for this one, yeah.

Michael: Gotcha. So would you say the biggest hangup of this transaction was the whole legal paperwork aspect?

Ali: Yeah, absolutely 100%. I mean, you know, a company was acquired and used this name for years so there was so much tied into the domain name on the back-end from hosting and name servers and host names and all sorts of stuff that had to get incorporated into the contract, so.

Michael: So did they start doing... That's a lot of stuff. People are using email addresses, people are using, you know, websites on it or third level domains or whatever. Do they start moving that start off of Freedom.com when the paperwork was being done?

Ali: Not when it was being done but I mean they started the process and incorporated it into the paperwork because, you know, we went in and found a lot of host names that were still being used and they needed time to properly move those over. I mean these are two massive companies, they have projects in the queue for months and maybe even a year ahead of time so they had to make the time to get their text and move all the stuff, yeah.

Michael: Definitely. You know, of the 10 companies that you reached out to, clearly Freedom Mortgage was one of them and you did the deal. Was there any other interested parties that later came back and said, "Yeah, we're interested," and you're like, "Sorry, we've already got verbal agreement on this deal."?

Ali: No, nobody came back. After Freedom Mortgage started it and Slade and I had a verbal agreement that the company was interested I just stopped. I mean it's bad karma, man. It's not my style. If I continue to reach out, I mean I sent more emails out as feelers but we already agreed to a price, you know, they were more backup, "If anything happens to this deal we'll let you know," kind of deals, yeah.

Michael: This is a fantastic deal, man. Do you have any other deals that you're brewing at Starfire Holdings?

Ali: Yeah, man. Me and Kevin which he's been kicking ass at Starfire, man.

Michael: Kevin Fink?

Ali: Kevin Fink, yeah, the guy's a ---- so it's really nice to have him on board, he's been helping out a lot. We are working with DealFlow on the by side for a \$1.2 million asset right now. The domain just got transferred. I won't tell you what it is yet because I don't wanna jinx it, but the domain just got transferred, we're doing due diligence right now. We brought it in from China which was interesting, we had to hire a translator and this one was like up 3:00 in the mornings on hour long phone calls, this, this. But it's a really great deal, man and I'm also brokering another mid-six-figure name right now that's looking pretty promising. I'm sure we'll be reporting that sooner than later as well.

Michael: That's awesome man, you've got a lot of deal flow here. I'm glad that you came on DomainSherpa and told us about the biggest of the deal flow, though.

Ali: Yeah, right, well let's see if I can top that, man. I've got some goals this year.

Michael: And how can people learn more about your brokerage services if they're interested? They have an asset they wanna sell, they wanna discuss potential sale or buying of premium domain name assets?

Ali: They can go to StarfireHoldings.com. We have consulting services, acquisition, and brokerage services too.

Michael: Awesome. All right, if you've watched this show and you have questions or comments for Ali, you can go down below the video and post them, and I'll ask Ali to come back and answer as many as he can. If you've found educational benefit from this show, learned something new about valuing, brokering, selling domain names or simply inspired by Ali, please take just 10 seconds to post a comment below this video or send Ali a tweet. He's at... You ready for this?

Ali: Yeah, good luck.

Michael: @AliZandinejad. Ali Zandinejad. Did I get that?

Ali: [inaudible 00:42:30] hacked my name, yeah. What's that?

Michael: Did I get it or not?

Ali: Zandinejad. That's why I changed it to Zandi, man.

Michael: Ah, Zandinejad, jad.

Ali: I spend like 20 minutes on the line with customer service trying to spell my last name, man, it's crazy.

Michael: It's spell it right now for you on Twitter. A-L-I, Z-A-N-D-I-N-E-J-A-D. I'll have a link in Ali's profile below, just click through it and send him a tweet. Ali Zandi, man. It's good to have you back. Thank you for coming on the DomainSherpa show sharing your brokerage lessons learned, and thanks for being a DomainSherpa for others.

Ali: Thanks so much for having me, man.

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