

### Ahoy, Matey! PirateShip.com Flipped in 21 days for \$18,500 Profit - With Daniel Levi

**Watch the full video at:**

<http://www.domainsherpa.com/daniel-levi-pirateship-flip/>

In this DomainSherpa Show, Profitable Flips, skilled domain name investors share all the details of how they bought low and sold high. On today's show, we are going to learn how a 19 year old domain name investor bought a domain name for \$1,500 and sold it for \$20,000 in only 21 days for a total profit of \$18,500. Stay tuned.

I have three sponsor messages before we get into today's show.

First, if you're buying or selling a domain name or portfolio and you want an estimate of it's value, Estibot.com is the place to go. Just like you'd visit Zillow.com to get an estimate of a house value, Estibot.com provides key information about the most important statistics so you can make an informed decision based on data.

Second, whether you are buying, selling, brokering or financing a domain name you need an escrow company that is properly licensed, bonded, insured and audited. That company is Escrow.com and they have been doing it since 1999. Escrow.com – it's about trust.

Finally, are you tired of being up-sold and cross-sold when you buy or renew a domain? Then try the newest registrar being built from the ground-up with a beautiful interface, competitive pricing and 24/7 support. Uniregistry.com will surprise and delight you. The right domain name can change your life: Uniregistry.com.

Michael Cyger: Hey everyone. 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.

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Welcome to the Domain Sherpa Show called Profitable Flips. In this show series, I invite domain name investors to share all the details of how they bought low and sold high, a wealth strategy called value investing, where you buy assets that appear undervalued that, at a later date, will be valued properly by the marketplace.

Today, I am pleased to welcome to the show, Daniel Levi, a domain name investor of note worthy age and Founder of TheDomainStore.com. Welcome, Daniel.

Daniel Levi: Hi, Michael.

Michael: I think you set the record for being the youngest investor on a Domain Sherpa interview to date. May I ask your age?

Daniel: Sure. So, I am 19 right now.

Michael: And 19. So, you are a domain name investor. You are probably living large. You have got your own place. Are you domain name investing full time?

Daniel: No, so I am actually studying at Chapman University right now. And even though I would not mind doing it full time, but I have got to get the degree first.

Michael: And what are you studying at Chapman?

Daniel: I am studying biology right now.

Michael: Biology. Tough subject. What do you want to do when you "grow up"?

Daniel: For now, probably going to go to Medical School or Dental School, but it is pretty much in the air right now. Still have not made up my mind on it.

Michael: Yeah, and 19 years old. You are a sophomore at Chapman?

Daniel: Yeah, I am a sophomore.

Michael: Well, we will see. If you continue to get sales like the one we are going to talk about on today's show, you may not actually want to go to Medical School. So, let's talk about that sale. What was the domain name that you purchased and how much did you pay?

Daniel: So, I purchased PirateShip.com, and I paid 15 hundred dollars for it.

Michael: PirateShip.com. So, the first thing that comes to my mind when I think of a pirate ship is I think of all the children's books that I read to my five-year-old and probably my eight-year-old as well. 15 hundred dollars. It seems like a reasonable amount in the wholesale market for Pirate Ship. So, that was your purchase, and what date did you purchase it?

Daniel: It was May 7, 2015.

Michael: Okay, and then what date did you sell PirateShip.com?

Daniel: It was May 28, 2015, so 21 days later.

Michael: 21 days later. And what did you sell PirateShip.com for?

Daniel: 20 thousand.

Michael: 20 thousand dollars. So, you went from a 15-hundred buy to a 20-thousand-dollar sale in 21 days. That has got to be one of the best flips that I have heard of in all time.

Daniel: It is not bad.

Michael: Yeah, not bad is right. So, let's go back. I want to analyze each portion of that buy-sell, so we can glean from that and see if you have learned any lessons along the path. So, if we look at the buy side of that transaction, where and how did you come across the domain name for sale?

Daniel: So, it was actually around finals week and I was very, very busy with school. I did not think about domains. I just happened to check my email and I came across somebody who messaged me regarding PirateShip.com. So, what happened was I made an inquiry on the name around one year ago and the owner, ironically, wanted 20 thousand dollars for it.

Michael: So, where did you first hear about it and how did you make the inquiry and how did they contact you? Were you just doing WhoIS lookups or what?

Daniel: So, it was DNForum, who just posted the domain in the offers wanted section, and I mentioned it was one year ago, so he had a fire sale. So, he messaged apparently a lot of buyers, saying the price has been reduced to 15 hundred, everybody who he had contacted about the name, and immediately I just knew that it was a great deal, so as fast as I could, I browsed with my mouse to DNForum, told him it was sold, and then there was also a thread about it, which I realized a minute later.

So, I rushed to the thread, posted sold there, and yeah, that was basically it. And his only contingency was that you would pay through PayPal and I did that with no problem.

Michael: So, here was a person that has owned PirateShip.com for a while. They had listed it for 20 thousand dollars, which seems like a retail price on DNForum. Of course nobody is going to pay retail on a domain name discussion forum, like DNForum.com, and so nobody took him up on it. And then it sounds like his needs, his financial needs, changed over time, and so he was like I just need to blow it out. 15 hundred dollars is fair. It will probably sell really quickly.

So, we went on to DNForum, posted the thread in the offers wanted, which you do not need to be an upgraded members to have access to the offers wanted, do you? Just a regular member.

Daniel: Yeah, I believe platinum gives you some added options and there are different levels that allow you to see different sale threads, but yeah, I am not completely sure.

Michael: Okay. So, what really alerted you to it was the fact that you had reached out to him in the past, which probably some other people had, and he messaged you back. Did that show up on your phone as an email or how did you know about it so quickly before anybody else?

Daniel: Yeah, exactly. So, it showed up as an email and that is the only reason I saw it that fast. Otherwise, the thread would have been up and I would not have seen it.

Michael: Right. If you did not get that email, the thread would have been up there. You would not have seen it likely unless you were signed on, just happened to be browsing DNForum at that time, and then came across it first. So, if you did not get that email, you likely would not have found this bargain.

Daniel: No, I one hundred percent would not have.

Michael: Got you. Well, it sounds like if you were going to look for bargains like this and reach out to it, which this seems like a process that might happen more than once. That people might need money and they might want to blow out domain names at a lower price and they might message you. So, leave on the emails at DNForum for private messages.

Daniel: Definitely. It is definitely a good option.

Michael: Okay. And so, you got on there immediately. You marked it as sold. You private messaged him back and told him that it was sold. Did you even look up any details about the domain name?

Daniel: No.

Michael: Why not? What made you so confident that 15 hundred dollars was the right price for buying PirateShip.com?

Daniel: It was just a gut instinct. I mean there was one thing I thought about, which was okay, there is PirateShip.com and immediately I thought there is

also PirateShips.com. And that is not really an alternative because the singular just makes for a better brand. You can only, I guess, make an eCommerce store selling pirate ships on the plural version, and so, yeah, I knew there were not any alternatives and if somebody wanted it, then they would have to come through me. If you can find another PirateShip.com for a cheaper price, then go ahead. Buy it. That is just my thought process.

Michael: Yeah. So, you already understand the fact, and I think a lot of investors do not get this, that the singular of a generic word or a phrase has much more possibilities than the plural. The plural sort of limits you into selling that item. Roses.com. You go there and you think you are going to find roses, whereas if you own Rose.com, that can be a brand for a scent, for a flower store, or for a software company. You can use it for whatever you want. So, your idea was that PirateShip.com could be a brand for a company and that opens up a lot more possibilities to sellers than the plural would.

Daniel: Yeah, definitely. So, I would recommend owning the singular brand, but if you have the option and you are very serious about growing your business, then definitely getting both, the plural and the singular, is the best thing you could do.

Michael: Yeah. So, I went on to EstiBot.com and I looked up, and PirateShip.com has 27 thousand exact match searches per month for that phrase. That is a lot of searches for pirate ship, so it does not surprise me that based on the fact that my kids love pirate ships, they live pirate stories, and here is a great brand, the retail value on EstiBot was 66 thousand dollars. Does that surprise you?

Daniel: No, it does not surprise me.

Michael: Why not?

Daniel: Well, yeah, it is just an unbelievable brand. When you hear PirateShip.com, it provides a visual. You think of an instant logo and you can make a hell of a brand around it.

Michael: Yeah. So, the prior owner of the domain name in the thread said that the payment terms were PayPal, so you have to send 15 hundred dollars via PayPal to the address that he or she specified. That is typically a no-no when it comes to buying assets. I have a due diligence section on my site. I tell people do not send cash. Do not wire cash. Do not send PayPal, which is often treated as cash. Do not send a money order or things like that, because if you have a dispute, you cannot get the money back.

You sent PayPal to this person. Why did you feel like that was a safe thing to do?

Daniel: So, on DNForum.com, you can see the ratings and this history of different sellers, so I saw that he had a lot more positive ratings than negative. I do not even think he had one negative one, so I just decided to go ahead and not lose the deal. And I have been screwed before with PayPal disputes and I know that it can be dangerous. I would not recommend it either, but since I saw the seller was just very reputable, I decided to go through and take the risk.

Michael: Yeah. And did you do anything else to make sure that he was actually the owner of the domain name? Can you do a WhoIS lookup, see a name if it is not under private, and then tie it to their profile anyhow?

Daniel: I do not remember if I did a WhoIS search, but I probably did.

Michael: Okay. And the fact is you had saw it listed on DNForum a year ago and contacted them. And if it was stolen, it probably would have come up in that year between then, or more likely to. So, once you actually sent the money, how did the transfer of the domain name happen? Was it pushed or was there an authorization code given and transferred?

Daniel: So, it was done through Dotster.com, which had a terrible system. Even creating an account with them was just the most complicated process ever, but anyways. I contacted their support team. They made me a free account and yeah, we just did a quick push.

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Michael: Quick push. All right. And after you marked the domain name as sold on DNForum, some other users reached out to you, right?

Daniel: Yeah.

Michael: What did they say when they reached out to you?

Daniel: So, they basically said I saw you bought PirateShip.com for 15 hundred, letting me know we knew it happened, and then they offered me around five hundred bucks more, which I mean is not that unreasonable.

Michael: 25 percent more than what you paid.

Daniel: Yeah, but I knew they were essentially little ballers because I would have paid the same amount in 2000 for the name as well.

Michael: Yeah, got you. And so, how many offers do you think you received from other DNForum users?

Daniel: It might have been around two, and actually somebody from NamePros also contacted me.

Michael: Yeah, so you received a handful or less of other offers. The quick flip was not of interest to you. You did not want to flip it for five hundred bucks, even though at like ten bucks per hour, that is 50 hours of working at flipping burgers or whatever. You did not want to do that.

Daniel: No, it would not have made sense.

Michael: Because you knew that the brand was worth more.

Daniel: Yeah, exactly.

Michael: Even though the previous owner did not sell it in the past year. And who knows how long? I did not do a historical WhoIS lookup on Domain Tools to find out how long he or she owned it. Even though they were not able to sell it, you decided a quick five hundred dollars or even if you

negotiated up maybe one thousand dollars more was not enough for you to sell it.

Daniel: Yeah, I mean I would not have even sold it for five thousand because I just knew it was a five to six-figure name.

Michael: Yeah, all right. So, as you soon as you owned it, it was in your Dotster.com, did you do anything with it? Did you park it? Did you setup a landing page?

Daniel: So, yeah, I setup a landing page with DomainNameSales.com, and that is about all I did.

Michael: All right, DomainNameSales.com of course is being brought in to Uniregistry.com, and so people today can go to Uniregistry, transfer their domain over there, and then setup a parking page. And so, did you setup the parking page with advertising or did you setup the parking page with just the buy it now or contact us to get a quote on this domain landing page.

Daniel: Yeah, there were no ads. It was just a simple 'get a free quote' landing page because, for me, with advertisements, I just do not get that many CPC clicks usually, so I just decided to put all my names as get a free quote because it just increases the rate that people contact you.

Michael: Yeah. Okay, so then you had a landing page saying contact us. And part of the benefit of using one of those landing pages is that you also get the statistics, the traffic statistics, which tell you how many people are coming to that page. Do you remember looking at the traffic statistics and seeing how many actual type-ins you received?

Daniel: Yeah, I remember looking at it maybe only once or twice. I mean I cannot remember the exact number, but I think it was around 20 per day. Something around that range.

Michael: Yeah, but because you are not monetizing it through parking revenue or advertising, it does not necessarily mean much. It is interesting to me. A great brand and a phrase like pirate ship I would think people use a lot.

Clearly 27 thousand exact match searches per month is a lot, so it is interesting to see how many clickthroughs or type-ins per day you receive on that.

Do you remember, between the time that you setup the landing page at DomainNameSales.com and received the inquiry from the person that bought it from you, how many other inquiries did you receive on the domain name?

Daniel: So, prior to that, I received one other inquiry, also on DomainNameSales.com. And once that second inquiry came, the one that ending up selling, I do not think any inquiries came through during that time.

Michael: So, 21 days. 20 visitors per day on average. And in the 21 days that you owned it, you received two inquiries on it.

Daniel: Right.

Michael: Okay. So, then the first inquiry that came in. Did it go anywhere?

Daniel: No.

Michael: No. So, they emailed in and said how much or something like that.

Daniel: Exactly.

Michael: And you wrote back and you said what?

Daniel: So, yeah, they just filled out the Domain Name Sales contact form, and then I wrote back. Basically I told them to make the first move and they did not reply.

Michael: So, you asked them to make an offer.

Daniel: Right.

Michael: Okay. So, you owned it in your portfolio. You paid 15 hundred dollars for it. What did you think the retail value of the domain name was?

Daniel: Retail value can differ in a lot of people's minds, so for me, as soon as the second buyer reached out to me, I told him I wanted 25 thousand for the name. So, that was the first price I threw out.

Michael: Yeah. So, in your mind, you thought 25 thousand is the right price for this domain name, and it was supported. Probably you looked at EstiBot and you saw the statistics and the price, but then you also remember that the previous owner had a price of 20 thousand, so you came to that number.

Daniel: Yeah, and it might have been the psychology of that, that I knew the previous owner wanted 20 thousand and I somehow ended up selling it for 20 thousand, so I do not know if that is just luck or psychology plays a part in it.

Michael: So, tell me about the current owner contacting you. How did that first contact come through to you?

Daniel: So, he contacted me in a very intelligent way. So, at the time, I was working at Flippa part time. So, apparently he sold some websites before through the Flippa website brokerage team and one of the website brokers contacted me and made an introduction. Said, "Hi, this is (Unclear 17:53.0), one of my favorite clients," and he basically told me he wanted to buy PirateShip.com. So, basically it made me softer and nicer, knowing it is somebody's client that works at Flippa.

Michael: Why did a common acquaintance of yours or a fellow co-worker of yours make you more amenable to a customer reaching out to buy a domain name than if he would have cold emailed you directly?

Daniel: So, if he would have cold emailed me directly, let's say the negotiations progressed and we got to a point where maybe I would get a little irritated or we would have a road block, I might have a less positive attitude whereas when he contacted me through the broker, which I had never talked to that colleague before, but still it made me have a more open mind knowing that he has done deals before, first of all, and one of my colleagues trusts him.

Michael: Yeah, great point, and I think a point for entrepreneurs to be aware of. I know that I have made purchases on behalf of some of my friends, and we talked about this just before we hit record, that business is done through relationships. And if you are more likely to get a deal done and you know the person that you are connected through and you have a relationship with them, you can likely get a better deal. Get a faster deal. Get it locked up. Have better communications because of that common connection, so that is a great point.

So, the buyer actually did contact you through Domain Name Sales and send you a cold email. Did you respond back to that cold email before you were contacted through the Flippa route?

Daniel: So, actually first I see the DomainNameSales.com email. Then I saw that other email, so I just decided to respond to the one through the Flippa worker.

Michael: Now, if I were to receive both at the same time, I might be a little torn, like he contacted you directly through Domain Name Sales, no commission. It is coming in through Flippa. You might have to pay a commission. Did that go through your head?

Daniel: Well, the broker that was representing him was not getting commission. He simply made an introduction and he got out of the way the rest of the time.

Michael: Oh, okay. He specified that in his email.

Daniel: Yeah, it was more just a favor for his client.

Michael: And so, when you received an inquiry through two separate paths, what did that make you think about this buyer?

Daniel: Desperate. Yeah.

Michael: Yeah. If the buyer had only reached out to you through the Flippa route, which let's say is the better route because he has got a connection to you, would that have made you feel like he was desperate as well?

Daniel: So, the fact that he reached out to me through Flippa let me know a few things. One, he is very tech savvy. He understands negotiations. He probably has experience in that area. He might have paid before for domains because he knew that making an introduction is something, because domain negotiations can be very tough for buyers and he did not know which type of seller I was. I might not have been willing to sell. So, yeah, everything he did showed me that he has experience and that I can ask for 25 thousand basically.

Michael: Yeah. Yeah, great points, and I would not have even thought about that. One, I thought well, he might have been desperate, but yeah, the fact that he was tech savvy and he has done business with the other Flippa broker and understands the value of online assets, those are great things to know before you even begin the negotiation process.

Daniel: Definitely. And also, I should mention that I also knew the company. They were making basically an upgrade, so before that he was operating on PostagePirate.com and their whole website theme was around pirate ships basically. So, this was not just a nice to have the domain. This was a very necessary one for them.

Michael: Yeah. Well, necessary, but they probably could have stayed on PostagePirate.com.

Daniel: Yeah, they could have, I guess.

Michael: They could have. Yeah. So, as a side note, if anybody is watching the show and they have a browser available, go type in PirateShip.com and check out their website. I think it is fantastic. I love the design. I love the fact that they integrated a pirate talking during the whole video and it is fantastic. They actually make software that helps in the shipping process of subscription boxes, like Birchbox or there is a box that you can buy for beef jerky, so every month you get different beef jerky in the mail. There is a box

for everything. You name it. And so, it is a cool subscription software as a service that they are offering through Pirate Ship.

So, let's pick back up where the Flippa broker introduced you and then you started a conversation. He ask you how much do you want for it, I am sure, and how did you respond?

Daniel: So, what he did was he made an introduction, and after that he was out of the conversation. So, I messaged the buyer directly. Let me just pull this up.

Michael: Sure. You are pulling up some notes.

Daniel: Yeah. Basically I just told him right away I wanted 25 thousand.

Michael: Did you ask him to make the first offer, which I know a lot of people will do?

Daniel: No.

Michael: No, you just said 25 thousand.

Daniel: Just told him: "Nice to meet you," and then I told him: "I will give you my bottom line price right away. 25K via Escrow.com, and we can close today," and then I said, "Even though I think the name is worth more."

Michael: Nice. And then how long did it take for him to respond and how did he respond?

Daniel: So, I think it was a Friday if I remember correctly. I do not know, but anyways. Once I sent that message, he responded right away. What he did was he offered me ten thousand dollars, and he told me that the Pirate-Ship.com version sold for 55 hundred. So, that actually made me want to raise the price. I do not know why he said that.

Quick break from three sponsors of today's show:

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First, if you're buying a domain name from a private party and want to know what else they own, DomainIQ.com is the tool you should be using. View their entire portfolio, filter by Estibot value and be a better investor. \$49.95 for 250 queries per month. Visit [DomainIQ.com/portfolio](http://DomainIQ.com/portfolio) to learn more.

Second, Chinese investors are paying top dollar for premium domains. But to do a deal, you need a broker who speaks Chinese, understands the culture, and can guide investors through payment options. You need George Hong at [Guta.com](http://Guta.com). George is a native Chinese speaker with investor connections in China. Email Sales at [Guta.com](http://Guta.com).

Finally, Efty helps you manage your domain portfolio, giving you clear insight on its performance while helping to boost leads, sales and revenue. Forget spreadsheets and archived emails — manage your entire investment portfolio in one place with a secure and confidential platform. Become a professional domain name investor with [Efty.com](http://Efty.com).

Michael: Yeah, if the dashed domain has a 55-hundred price tag, man, all those people typing in the dash are going to be mistyping and going to the domain without the dash. I would think that the one without the dash would be worth ten times as much. Right, so he sort of was backwards on his pricing system there.

Daniel: And it actually made me go back and reconsider my price, but I already threw it out, so of course I was going to respect it.

Michael: You are going to honor that because you have integrity. So, then how long did you wait to reply to him and what was your response?

Daniel: So, everything was done the same day. It was May 15th. So, what I did was I told him: "I appreciate the offer," and I told him: "Again, I think this domain has potential above 25 thousand." I even told him that if he acquires the name, I think he can receive much higher offers in the future. Then I told him some sales stuff, like the name [PirateShip.com](http://PirateShip.com) lights a fire in my gut. It is an unbelievable brand. And I told him: "I am not going to lower the price. 25K is fair. I am ready to close [Escrow.com](http://Escrow.com) today and [PirateShip.com](http://PirateShip.com) will be yours."

Michael: So, you did not even go back to him and explain why his reasoning for the Pirate-Ship.com at 55 hundred was a much worse comp. You just reiterated the fact that it is a great brand. You know it has value. Your price is firm, and if he wants to close, he can.

Daniel: Right, exactly.

Michael: And how did he respond?

Daniel: So, basically he told me there is not that many practical uses for the domain. Beyond hobbies, the most likely to invest and build a brand around Pirate Ship is the shipping industry, but he owns all the trademarks. And he told me: "Unless you find a millionaire pirate fanatic, you will not do any better."

Michael: That is awesome. I think that is awesome because I have been in that exact same entrepreneurial position, trying to buy domain names and trying to reason through it, and yeah, it is hard to keep a straight face when you know that because there are a ton of other opportunities for a brandable domain name like that, that you do not even think of. So, what were you thinking when you responded back to that? Did you think that oh, he owns a trademark for Pirate Ship? That does limit the use of it.

Daniel: Well, no, I knew it was a generic term, so I was not worried about that. As soon as he sent that message, I knew this was his strategy. If I continued messaging him back, saying no, PirateShip.com is good because so and so, he would just come back to me with his reasoning, I would come back to him with my reasoning, and it would not progress into anything because I knew what he was doing obviously. And so, what I just did was I said okay, obviously he wants the name. We have been messaging each other that entire day, and I just put my foot down and I told him. I said, "Good luck. Let me know if you change your mind." That was it. That was all I said.

That was May 15th, and then six days passed by.

Michael: Oh, six days, and every day you are going to your inbox and looking to see if he has responded.

Daniel: Yeah, every single day.

Michael: And were you getting a little bit more and more nervous every day?

Daniel: Yeah, I was very anxious actually, even though it was funny. I think it was around finals week, so I was very concentrated on school, but also in the back of my mind, sometimes I decided, like there was something burning inside of me to just see that email already, saying okay, I want it, because you have to understand. I turned down a ten-thousand-dollar offer before that and I bought it for 15 hundred, so if everything fell through, it would have been pretty bad.

Michael: Yeah. So, on the fifth day, even though you were studying for finals and taking your tests and focused on that, in the back of your mind, you were thinking maybe I should have taken the ten thousand dollars.

Daniel: Yeah. I do not know if I would have taken it, but yeah, I mean it would have been a pretty profit at that time.

Michael: Yeah. So, then on the sixth or seventh day, he contacts you back.

Daniel: Yeah, so on the sixth day, he contacts me back. And you have to understand before that I almost reached out to him every single day. I wanted to so badly, but I mean I have learned never to do that because it shows that you are in the weakness.

Michael: Why would you never contact him again? Like three days later and just ping him and say hey, just checking in. Have you changed your mind?

Daniel: Well, it just shows him that I am a desperate seller, and that is the exact opposite. I try to look the exact opposite way. I told him good luck. Let me know if you change your mind. So, I cut off the conversation. I showed him that I did not really care what he did and as long as I got my 25 thousand that I was happy, and I was not going to respond further. So, if I followed up

with him, everything I had done up to that point would have been lost, whereas if he would have followed up after I sent that message. I did not say do not contact me unless you pay up. I was more nice about it. Good luck. Let me know if you change your mind.

Michael: Right. He could have responded back and said okay, how about we split the difference between ten thousand and 25 and I cut you a check for 17 thousand, and you might have taken that.

Daniel: Yeah

Michael: Yeah, okay. So, how did he respond?

Daniel: So, six days passed by, and he basically told me he was using that strategy of like trying to wait. He was like: "Can we talk tomorrow," and he gave me his phone number. And it was funny. That was the day before my last final, May 21st. I told him: "Okay, let's talk at 11AM Pacific time tomorrow," and so it was May 22nd. That is the day the deal closed, and I just finished my chemistry and biology finals. I was packing up, getting ready to drive back to Los Angeles, and all of a sudden I remembered. Wait a second. I probably should call him right now, and it was around 11, but I decided maybe I will call him an hour later because I did not want to show to him that he is in the power position. So, if I called him right at 11, it would have showed that I remembered pretty well. It is important to me.

Michael: Yeah.

Daniel: I did not want to seem that way, so what I did was I waited a little bit and then I called him a little after 11. I think it might have been towards noon-ish, and yeah, we talked over the phone and we closed the deal.

Michael: So, how did the conversation on the phone go? I would assume you are not having a lot of pleasantries, a lot of like how is the weather where you are, where are you, and things like that. What did he start off saying that allowed you to close the deal?

Daniel: So, he lived pretty close by to me, so the first part of the conversation was more oh, you live right by there and kind of pleasantries, like you said.

Michael: So, it was, yeah.

Daniel: It was actually. It was pleasantries, trying to break the ice a little, because I mean if you just start a phone conversation and you are like hi, I want 25 thousand dollars.

Michael: Yeah, that is too rough, man. You are like you have got to warm me up a little bit.

Daniel: Yeah, business is about relationships and it is important. I also wanted to get to know him and see who he was. We just chatted a little bit about random stuff that was not related, and then he said, "So." He calmly got into it. He was like: "So." He said, "We have 15-thousand-dollar bankroll," and then the phone became silent and basically I stuck to my price of 25 thousand throughout the whole time. But I do not know what happened to me. I guess I liked him a little bit maybe because of the pleasantries.

I decided to say, "Okay, as long as it has a two in front of it, we got a deal." So, then he said, "20 thousand." I said, "All right, we have got a deal."

Michael: Was he asking you? So, you mean 20 thousand. You were like deal!

Daniel: That is what he said, "20 thousand," and I was like: "Okay, deal."

Michael: Nice. So, you agreed on the price. And then did you confirm with him how the process would work on the phone?

Daniel: Yeah, I did. I told him about the Escrow.com process and about the push process, and we just chatted a bit more about his company and different stuff.

Michael: Cool. So, he obviously knew how Escrow.com worked, or did you need to explain to him the whole escrow process in general?

Daniel: So, he knew how it worked mostly. I said it to him again just to refresh his memory, but I think he has done it before.

Michael: Great. So, you set up the transaction at Escrow.com. It emails him. He agrees to the process. Escrow.com gives him information for wiring the funds. He sends in his 20 thousand dollars. Who paid the escrow fee: you, him, or did you split it?

Daniel: He did.

Michael: He did. So, he puts in a 20 thousand plus escrow fee. Escrow.com says we have secured the money to you, and then you get his account information, still at Dotster.

Daniel: Yeah.

Michael: And then you contact support and push it over to his account.

Daniel: Yeah. So, I am sorry Dotster, but it is pretty bad. But basically what ended up happening is he tried to make an account at Dotster and it was just such a complicated process that he ended up just asking for the authorization code and moving it to another registrar.

Michael: Got you. So, it took a few days in order for that approval process and transfer to happen. When he finally had it in his account, he marked Escrow.com as received and then Escrow.com sent the money over to you. Is that the way it works?

Daniel: Yeah, exactly. The way it works is just first we both agreed to the terms on Escrow.com. Then he needs to wire the funds or through any other method. Once Escrow.com receives the payment, then I need to transfer the domain over to him. Once I transfer the domain over to him, I note it on Escrow.com, and then Escrow.com own the funds, so they release it to me and that is just the way it works.

Michael: So, 20 thousand dollars cash arrives in your bank account. You only paid 15 hundred dollars for the domain name, so you are sitting on short term

capital gain of 18,500 dollars. So, you of course have to pay some taxes on that, but that is still a lot of money that you have. Did you go out and buy yourself anything special? A new watch. Go out to dinner.

Daniel: No. At the time, I was just so happy that finals were over and I remember I went through all-nighters. That is the funny part. I was more happy just ending finals week than the actual sale, but the sale mixed with everything else just made me so happy. I did not need to buy anything to be happy. I was just naturally ecstatic.

Michael: I hear you. I remember those days, man. I do not wish to go back and relive them. What did your parents say when you told them that you had sold a domain name for 18.5 thousand dollars profit?

Daniel: So, my dad actually picked me up that day and I told him about the sale, and he was just amazed. And I remember at the beginning. I started domaining at 17 and he always used to say this is like bullshit, like you are never going to do anything, and well, there you go.

Michael: Yeah. And so, is this your biggest sale to date?

Daniel: Yeah, it is. Well, I have brokered higher ones, but my personal sale is.

Michael: Personal sales, yeah. And does this take your entire two years of domaining and put you in the black? Are you cash flow positive on your domain investing portfolio now?

Daniel: Yeah, I am.

Michael: So, what are you going to do with the proceeds of this domain name sale?

Daniel: Yeah, so I already spent it a little on other domain names basically, so I have bought a lot of names since then. I have been growing my portfolio, just reinvesting it back into the business. I guess that is the best gift.

Michael: Yeah. So, has your investing strategy changed since you made this sale and have more cash to reinvest in domain names, or are you buying the same types of domain names that you were before?

Daniel: Yeah, it definitely changed after the sale. So, I thought to myself. PirateShip.com. It was a brandable name. Irreplaceable. Not too many alternatives. Once somebody sets their eyes on it, I could ask for anything basically and not seem nuts, and it also fits several industries. So, it could be shipping. I mean Disney even has a pirate ship attraction. It could be so many things. And so, what I ended up doing was I started investing in more brandable names that cost around one thousand, 15 hundred, two thousand. Two-word .COM phrases.

So, just as an example, I bought HiddenTalent.com. I think it was around two thousand plus, and in the past I would not have bought that. It seemed to expensive, but now I knew. HiddenTalent. So, my thought process with that name was (A) there are a lot of industries that fit in. So, it could be a talent agency. I mean it is a really, really good brand for a talent agency because there is something secretive about HiddenTalent. Makes you very curious. It could even be a name for a recruitment company. Think about how many recruitment companies are out there. And if one of them decided to use HiddenTalent.com, then it is just something they could build around. We find all the hidden talent out there, and it just suddenly makes you stand out. It just applies to a lot of industries.

(B) I knew that if somebody decided to approach me and say okay, I want HiddenTalent.com, it is not like a domain, for example, MarketingBoost.com, which is still a good name and somebody might pay five thousand dollars for it, but there are a lot of marketing names. There is MarketingCab.com, BoostMarketing, and MarketingNinja. There are a lot of good alternatives out there, whereas HiddenTalent.com, as an example, is a name that there is only one HiddenTalent.com, and so yeah, that is why I decided to buy it.

Another example is DeadEye.com. So, DeadEye is all about accuracy. It is shooting, so I just thought for a brand that revolves around shooting, DeadEye.com is just an unbelievable brand.

Michael: Yeah, for archery or anything that requires that sort of skill, horsehoes, and things like that. Yeah, it could apply to a lot.

Daniel: Even a sunglasses company or even a video game company. I mean it is a pretty good brand for a lot of things. And again, for me, the most important thing is that it is as irreplaceable as possible, so the buyer cannot say oh, I have so many other alternatives. I know deep inside I am confident in the names I choose that this is the one.

Michael: Yeah, I think you have nailed it on the strategy, Daniel, that a lot of newer investors, myself included as of recently, were doing wrong. That they think brandables are just anything that is made up, so they put letters together that are sort of pronounceable and they think hey, that is a great brandable. But really the best brandables are the ones that are like HiddenTalent. Frank Schilling was on review last month and talked about NoPrisoners.com. They bought that off of NameJet for, I think, a couple thousand and they are going to price it at 25 thousand or more.

And so, those phrases that are in the vernacular of people that can apply, exactly as you said, to multiple industries are the ones that have the highest value.

Daniel: Yeah, they have a lot of value, and there is nothing wrong also with investing the other kind you mentioned, which are kind hybrid brandables they call them. So, for example, SmartCloud.com or, like I mentioned, MarketingBoost.com, because if you grow a large volume of thing - let's say you own one thousand of those - and they are good quality, then path of sales are going to occur. But the problem is, in most cases, they are not going to be as large as those names you could buy for two thousand that are irreplaceable.

Michael: Yeah, great point.

So, you have purchased since then HiddenTalent.com and DeadEye.com, so you are moving. These are costing you more than what you have typically paid for domains in the past.

Daniel: Yeah, definitely.

Michael: Yeah, what do you think the sweet spot is for you buying domains going forward?

Daniel: It really depends. That is a tough question. I mean most of the domains I buy are probably less than five hundred because I have been buying a lot of those types of brandables. Not the kind of I mentioned. Those two names, along with I also bought BizTravel.com and PortugalTravel.com and a few other travel names. That kind of tied up most of my capital, so what I have been doing now is investing in a lot of those brandables such as MarketingBoost.com, and they are around that one hundred to two hundred range that I could sell for five thousand passively.

Michael: Yeah. And where can people go if they want to see all the domain names that you have to try and figure out your strategy or look at those types of domains and get ideas?

Daniel: So, I have all my domains listed in the marketplace at TheDomainStore.com. It is only my own names. I just find it useful. People ask me: "Can I see your portfolio?" I just tell them to go to TheDomainStore.com.

Michael: And so, if I type in DeadEye.com, do I see a landing page on your website, TheDomainStore.com?

Daniel: Yeah, I think so.

Michael: I was just wondering if you are still using Domain Name Sales as a landing page platform or if you were using your own website?

Daniel: It is pretty split right now, so most of my names are redirecting to TheDomainStore.com.

Michael: Got you. And do you do any outreach or marketing for your domain names or are you just waiting for people to think of that domain name, type it in, and see that it is for sale?

Daniel: So, since I'm in college, well, I do have time for outbound marketing, but it is going to hurt my grades, so I just decide to stay away from it as much as possible. So, yeah, I just wait for inbound offers and I respond to emails from time to time. But in the past, yeah, I did market some of my names. Not every name. Even if I had the time, I would never send out emails for HiddenTalent.com or DeadEye.com because I just think the price I want cannot likely be achieved through outbound marketing. I rather market names like MasterRepair.com. There are a lot of businesses with the name master repair.

What I did when I started out and built up my capital was I did a lot of outbound marketing for geo domains, and that is a great, great way for people who do not have as much capital in the beginning to buy hand registered names with coupons. You could buy, let's say, ten geo names for around 50 bucks with coupons. And if you sell one of those names for, let's say, even 250 bucks or one thousand, it just depends on the situation, but that can slowly build you up. It is a really good method.

Michael: Yeah, so it is not a big sale like what you just had with PirateShip, but it is a great return on that invested capital. And what kind of geo domains would you pick up back in the earlier days?

Daniel: Basically what is important for me is just larger cities and lucrative industries, so that was basically it.

Michael: So, which industries are more lucrative? Security systems. Plumbing. Electricians.

Daniel: Dental is pretty good.

Michael: Dental. So, you might buy ChicagoDental.com if it were available, or ChicagoDentist.com if it were available.

Daniel: Definitely.

Michael: And if you can get it for a registration fee with a coupon, you could likely sell it for five hundred to one thousand dollars, somewhere in there.

Daniel: Exactly, and you would be surprised. There are some available. And yeah, I sold those for a lot of money, but even though I did that, I would not recommend it. It is not the best way to, I think, maximize your time in domaining, but it is a great way of starting out. And the reason I say it is not the best way is because the profits are not usually going to be that large and you might get a three-thousand-dollar sale that one time, but then all the other ones are going to be around two hundred, three hundred, and four hundred.

Michael: Right. Yeah, good point. So, last question for you, Daniel. Looking back on this PirateShip transaction, if you could go back in time, knowing what you know now, would you have done anything differently?

Daniel: Yeah.

Michael: What would you have done?

Daniel: So, when I got on the phone with the buyer, and I have been sticking to 25 thousand before that, after he said we have a 15-thousand-dollar bank roll, like I said, the phone became silent. And I do not know why, but I guess that made me say as long as there was a two in front of it and I should have stuck to my pricing. And that is definitely a lesson I am going to learn. The silent technique worked on me.

Michael: Yeah, that silence does make parties uncomfortable, on both sides probably because you do not know what the other one is thinking. And you think if you would have stayed silent, he might have cracked first.

Daniel: Yeah. So, yeah, what went through my head is oh, he has got a 15-thousand-dollar bankroll. I am at 25. I will just go down to something with a two in front of it. It made me feel like I have to somehow go closer to their 15 number basically, even though it was total BS because he would not cold called me unless he knew he was willing to offer the 25, because in the email

prior to that, he basically admitted to me that okay, it has been six days. You got me. Let's just talk on the phone.

Michael: Yeah. Well, you never know. I got inquired. I know my search engine optimization. I own a small portfolio in it, and somebody reached out to me, saying exact match domains are dead. I want this domain name from you. I am just going to use it for link building, and I called them out, and he responded to me and said, "You caught me. I was bullshitting you, and I do believe it is a great domain name," but he did not offer me what I was asking. I know that the domain is still worth that.

So, I just wanted to contrast your story with my story. I called him out. He did not pay me what I wanted, and I am still waiting, but you got a payday. So, it could have gone either way.

Daniel: Yeah, it really could have. Sales are very unpredictable. That is for sure.

Michael: Yeah, definitely. Well, I think it was a fantastic sell for you and I think it was a fantastic buy for PirateShip.com. Again, I love the website. If I had a subscription as service in a box, I would definitely use their software as well. Congratulations to them.

If you are watching the show and you have additional questions, please post them in the comments below this video on Domain Sherpa and I will ask Daniel to come back and answer as many as he can. I also encourage you, the person who is watching this interview, get out from behind your computer. Reach out and actually make a connection. Daniel and I both talked about how business is done through relationships, and it is not just a relationship that is convenient for you. It is a relationship that takes time to build. Daniel reached out to the prior owner a year before that prior owner had the need to sell. Sometimes things do not happen that quickly and you need to give in order to be able to receive at a later date. The easiest way to make that start of a relationship is by just posting a quick thanks, Daniel, in the comments below or sharing it on Twitter and marking Daniel in the Twitter. I am going to be the first to say thanks.

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Daniel Levi. Thank you for coming on the Domain Sherpa Show, sharing your story about a fantastic domain name flip in a unbelievably short time, and thanks for being a Domain Sherpa for others.

Thank you for watching. We'll see you next time.

**Watch the full video at:**

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