

DOMAINSHERPA REVIEW LIVE FROM NAMESCON 2017



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Episode 371

Michael Cyger: Hey Sherpa Network, I just returned from NamesCon 2017 and I have to tell you, it was a fantastic event. Congratulations to Richard, Jothan, Terri, Shallom and the entire NamesCon team. 1400 people converged on Las Vegas for great conversations, fantastic sessions, tons of learnings, and I have to tell you — i have a bunch of terrific DomainSherpa shows in the works for 2017. Thank you to everyone in the Sherpa Network that came up, introduced themselves, told me they're a fan of the show, gave some love to Sherpas who came on the show last year and gave of themselves to the community — and continue to do so every week. Today I have a treat for you. I taped the DomainSherpa Review Live from NamesCon with the Sherpa panel of Andrew Rosener, Frank Schilling and Shane Cultra. It was one of the best Reviews yet. Forgive the audio, which is mediocre, and pay attention to the content. It's some of the best learnings you can get today about domain name investing. Enjoy, and I hope to see you at DNSSeattle.com in May 2017 or another in-person event sometime soon. Here's your show.

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your website terms and conditions. David Weslow is the lawyer to call for Internet legal issues. See for yourself at DavidWeslow.com.

Michael: All right, good morning, everyone. My name is Michael Cyger, I'm the publisher of DomainSherpa.com. It is the place where you can learn how to become a successful domain name investor directly from the experts.

I'm going to do a quick background on DomainSherpa and then we're going to talk about who the Sherpa experts...what I call "Sherpas," they are the experts that help you reach your peak in finances. And then we're going to do a review of domain names from the audience. And this is very similar to what we do on a regular basis on DomainSherpa. And then we're gonna talk about some great investment opportunities if the Sherpas see them for some names that are coming up on NameJet. And then we're going to wrap up with some Q&A from the audience.

So, quick introduction. My name is Michael Cyger. I started off in...like many of you, trying to please my parents and become a doctor, a lawyer, an engineer. I went the engineer route, worked for 10 years in corporate America. Finally discovered that running my own business was what brought me a lot of joy, being an entrepreneur. Was fortunate enough to grow my company, have a successful exit, and then I wanted to figure out how to spend some time, and stumbled into the domain name industry, like many of you probably have done. And it is the best job, the best career, the best time I've ever had in my life. So if you're brand new to the industry, the world is in front of you, really. And like Frank said yesterday in his keynote, this is just a phenomenal industry, an open industry, one that, if you apply yourself, you can learn from and it's just unbelievable.

So now, I've been running DomainSherpa for five years. If you are new to the industry, you've had success, or you've been in the industry since the beginning and you've had success, I'm trying to get you on there to share some nugget of information back with the community so we can all grow, meet our own personal financial goals, and have a great time.

So that's a little bit about DomainSherpa. The portfolio that we do on DomainSherpa is geared towards an investor-submitted portfolio. So people in this audience have submitted 25 domain names represented above their portfolio to us, and then we review that, provide honest and constructive feedback to them. In the process, we raise money for cancer, finding a cure for cancer through the Fred Hutch Cancer Research Center in Seattle. So every review we do, every minute that these guys give back to the community, they're also helping to find a cure for cancer through the donation that's been made with the submission.

So let me introduce you to this panel, the guys that are tried and true, that always come on, that give their time back to the community. On my far side, I have Andrew Rosener, CEO of MediaOptions.com, one of the finest domain brokers in the industry, one of the most shrewd negotiators in the industry. I had the luck to be associated with him in one or two deals. He's helped me sell, we've gone in together on one domain. Just a fantastic fishmonger, "get it done" guy.

Frank: And a hell of a beard grower. He's even inspired Shane.

Michael: Yeah, they're brothers today. In the middle of the panel here, Frank Schilling, the man who helped build this industry.

Frank: [Inaudible 00:03:29].

Michael: Founder and CEO of Uniregistry.com, a visionary for all of us in the industry, helping us push the boundaries of what we should all be doing, and a fantastic portfolio as well. And if you haven't heard his story...all three of these guys have been on DomainSherpa, fantastic stories. And I'll come back to those.

And to my immediate right, Shane Cultra...the fifth generation of Shane Cultras in America. Shane [inaudible 00:04:03] of DSAD. It used to be called "Domain Shane," DSAD now. He's got a whole team of fantastic guys. If you haven't met the domain DSAD team, you should introduce yourself to them.

And in addition to being a domain investor, he runs the Country Arbors Nursery in Illinois, a multi-million dollar...how many employees do you have? Like, 70, 80?

Shane: Well, the government says if I keep it 48...under 50...48...

Michael: Yeah, yeah, yeah. So a lot of employees, about 50 full-time employees and a great businessman. What Shane brings to the table...everybody brings something different to the table, which is why I try and mix up the panel that we have. Drew is making deals happen every day and I interact with him regularly so I get to see what he's doing. Frank is leading the charge, he's got the vision. He will always tell you "no" to get a higher price. And then Shane comes in and he's doing different types of deals. Sometimes they're smaller, sometimes he's stretching, all different levels of buying and selling.

So I want to show you guys right off the bat that you don't need to be buying domain names that Frank or Drew are buying, and you don't need to be holding them forever like Frank is in order to get the highest and best use case, come along to buy that domain name. We're all different strategies, different tactics. That will come out as we're reviewing names today. And then as we get to the Q&A, if you have specific questions about, "How do you do this at the beginner level, or at the level where I can only spend \$1,000 per year to buy domains," or whatever, that's the purpose of this. We get into the weeds, the nuts and bolts of how everything is done.

All three of these guys have given so much time back to the community, going to DomainSherpa. Drew's got a show about how he lost \$300,000 in his first couple of years domain investing. That's peanuts to what he's doing now as a successful investor. Frank has been on multiple times, Shane's been on talking about how he got started. So really, you should go back and watch some of those shows.

That's the introduction. So we're going to jump right in...oh, you know, the one thing that I want to do, I got my boy Mike in the audience as well, Park.io.

I wanted to give him a quick shout-out because these guys invest in dot-coms, they love dot-coms. And the one point that I wanted to make before we jump into this list is that you can invest in whatever you want. I don't want anybody to think that dot-com is the right answer, dot-shop is the wrong answer, or dot-tm is the right answer and dot-life is the wrong answer. There's money...Frank says this all the time, there's money to be made in every GTLD and every CCTLD, in every country code top-level domain. You just need to know where that money is. You need to know how to buy it at a wholesale level, and then be able to wait or find the end buyer at the retail level.

And so, Mike, who is a coder, hacker, got into this, didn't know anything about domain names. Started buying dot-ios because he saw the startup community doing that. He amassed a great collection. He's like, "I'm going to offer my service to the world." I just told these guys, I look through my FT catalog, I sold six dot-ios in the past two years for \$22,000 and \$14,000 profit. So you get into the weeds, you learn what people want in that top-level domain and you can make money.

Shane: Yeah, I always tell people that you don't have to pick teams. You don't have to be on a team, not like this. The key is the profit, and everything else, you don't have to pick teams. It's a way to make money.

Fran: Com is an [inaudible 00:07:37] space, we all know everybody encourages everyone else to go for com first because it's the easiest fertile ground. The problem in that space is also that there are so many names, that there are a lot of bad ones versus the good ones. So if you get a good one in an .io, in another [inaudible 00:07:53], often, you can find somebody else who shares your vision easier than you can with a long [inaudible 00:07:59].

Shane: The other thing is, Mike and I, we used to be stock market bloggers. Before I was in this industry, I was a stock market blogger, and Mike and I were good friends in that industry. We turn around and here we are sitting, doing domains. And it's just...when money flows, Mike and I are following it.

Michael: Yeah. And you just bought a new GTLD in the auction yesterday, didn't you?

Andrew: Yeah, I was actually kind of shocked. I was thinking I was going to wake up to all of the blogs saying, "The biggest hitter of new TLDs only bought new TLDs in the auction."

Frank: What did you get?

Andrew: I got some nice ones. I got gold.club...

Frank: That's a good one.

Andrew: I got boob.tube...

Frank: I like that.

Andrew: I got...I don't know.

Michael: Four twenty?

Andrew: Yeah, 420.shop, after Berkens [SP]...

Frank: Those are good names.

Andrew: Really.

Michael: Those are good names. Drew knows those spaces will make money [inaudible 00:08:57]. So he knows those spaces and he's willing to put some money in and wait for that market to mature. That's what we're all doing in dot-com as well.

All right, so let's get into this. The first thing we're going to do is the portfolio review. Now, these are audience-submitted domain names. If a domain name is up on this screen, in front of the Sherpas here on these pieces of

paper, these are domains submitted by you guys. One domain per person. I've been promoting this on DomainSherpa for a while, the same list.

And like we do on the DomainSherpa Review, we want to get honest, constructive feedback from the Sherpas here. We want them to talk about what they like, why they like it, and what the retail price is. You guys already own it; we're not talking about wholesale anymore, but what the retail price is. We may also talk about...do you have cooties in Frank's tea?

Shane: [Inaudible 00:09:48].

Michael: Yeah, they're [inaudible 00:09:51].

Andrew: Twelve years of [inaudible 00:09:52].

Michael: And if there are domains on here that the Sherpas say, "I wouldn't maintain that in my own portfolio," hopefully, they're going to share that as well. If we're lucky, one of the Sherpas is going to love one of these domain names and is going to make a cash offer here on the spot. No commission, no nothing. It's just pairing up, making a love connection, here is what I'm trying to do. Last year, I think an offer was made...two years ago, last year, an offer was made...

Andrew: I made a lot of offers. We made a lot of offers.

Michael: Yeah, I don't think anybody's taking them. So let's start with you, Andrew, on the far side. What on this list appeals to you? What do you think is a good buy? Like, you're proud of the investor audience here for picking these domains up?

Andrew: Obviously, it all comes down to what do they have, right, and we don't have that information. So just going off of the name itself and potential value of that name, assuming that they purchased it right...as much of these in here I kind of like, a few I don't...Immediate.com, I think that's a great name. That's probably the one that stood out to me the most just because

that's the kind of culture we live in. Everybody wants immediate gratification, they want to order something and have it now. Immediate.com, I can imagine that being...

Frank: How do you spell it with two M's [inaudible 00:11:09]? I didn't know the name was like that. [Inaudible 00:11:12].

Andrew: Yeah.

Michael: So before you move on from Immediate, if you owned it or you were representing it with MediaOptions, what would you ask on that retail?

Andrew: Probably, I'd be asking for \$250,000 and looking to get \$75,000 to \$150,000 is probably where I'd expect it to sell. I think Frank makes a valid point; not all one words are created equal, and it's maybe a Tier 2 just because it's got the double-M. It's not so easy to spell, it's a little bit long. But I do think that it's very...I don't know the word, but it's good for the current culture. It's good for the needs of...

Michael: People are trending towards, like, "I want my Amazon package delivered in an hour." People want stuff immediately.

Andrew: Yeah. I like PublicEye a lot. I really think that that's just a great brand, particularly with all the security and the "1984" stuff that's happening in government today.

Michael: So for monitoring, for...

Andrew: Yeah, I don't know, home security...

Michael: Home security. Public security...

Andrew: Cybersecurity. Any form of security. It's a watchdog.

Michael: And what would you ask on PublicEye?

Andrew: Probably, I'd ask, like, \$35,000, and I'd be hoping to get \$18,000 to \$25,000.

Michael: Yeah. So here's a great example. I gave the Sherpas...I ran the names that were submitted through Estibot, because I like to pull out all the information. It's easy to look at, whether it has advertisers, how much the exact match search volume is across all the search engines. So they're looking at this, and you look at PublicEye, and here's a great example. It's almost like a brandable. It doesn't have much of a valuation, not much...it's got 5,000 exact match searches per month, which isn't bad. But it's a \$30,000 brandable domain name.

Andrew: Yeah. It's in that order of magnitude. And there's a few really obvious ones. Rat.com, I think, is a really big negative. I can see that going for a decent price.

But I'm going to throw out Drone.in. For whatever reason, that just kind of popped out to me on the list. It's like...I don't know anything about the dot-in market at all, but it's a drone, it's one of the hottest markets out there, and it is a growth market. And so, I don't know necessarily, but I would imagine there are drone manufacturers [inaudible 00:13:43]. I could easily see that being...selling to a drone manufacturer, a hobby shop, whatever. Somebody in this space for...again, I don't know what dot-ins go for, but I would imagine somebody who's basically willing to pay \$50,000 or \$25,000 for that name.

Michael: Yeah, again, it depends on who the buyer is and in what market. And if it's primarily Indian buyers of that, it's going to be affected by that market versus the U.S., or whatever geographic area.

Andrew: Yep.

Michael: All right, thanks, Drew. And you did mention Rat.com, three-letter, a little bit negative. What would you think that...you know, the three-letter market, this is a word...

Andrew: Yeah, so the pronounceable and, particularly, one word, three-letter dot-coms are quite hot right now. I think the wholesale price is probably around \$75,000. And the reason I don't love Rat.com is because it's one of those names where I think that there's very little margin between the wholesale market and what the end user would pay. So if you bought that right, if you had it for some time or you bought it, great name, a phenomenal name. You've got great store value. But if you're buying at \$75,000, \$100,000...if you've got to hang to that for five years, [inaudible 00:15:06] a lot of margin. Unless stars align, which in this industry, the stars do align.

Michael: Yeah. And so what I try and do is take this Sherpa panel that's been doing this for so many years, and it's a gut instinct to them, I try and put it into terms that I think newer investors need to understand, is that Rat.com's wholesale value...Drew was saying that you could probably sell this to another investor for \$70,000. It's a word, it's three letters, it's short. Dictionary...it's got a lot of positives, it meets a lot of the characteristics of valuation. But it's negative as well, and there's probably not much of a margin between the wholesale value, what you can sell it to Drew for, and the retail, what a company might want it for. And so, that's why he didn't talk about it first off the bat, it didn't have a positive connotation. Thanks, Drew.

Let's go to you, Frank. What do you like on the list?

Frank: You know, ClosetDesign really jumped out at me, and that's just obvious. So many closet companies, a great online, shippable, flat pack item. It just feels right. And then I like...actually, what jumped out at me was, obviously, Online.shop. That's one of those big ones that just looks good, it sounds right, it's a great search term, but ultimately doesn't necessarily mean a good brand because it's so patent [inaudible 00:16:15]. Preserve.life, I like that, too. SmartUpgrade, as I don't really know much [inaudible 00:16:23]. Names like "Rat" that seem good but maybe just aren't Numb, it's just a great word. But it doesn't have an incredible, positive connotation. It doesn't feel necessarily that great. So I put those in a lower tier...

Andrew: Unless you're [inaudible 00:16:42].

Frank: Yeah, exactly.

Michael: All right, so let me ask you. A lot of people in here...like, "Frank said that my domain was worth this much,"...I didn't pick. So let's talk about [inaudible 00:16:51] ClosetDesign. It has an EstiBot value of \$184,000, and it's a keyword.

Frank: It is indeed. I think that EstiBot value is a little high. I think you could probably turn it in the \$50,000s...

Michael: \$50,000s?

Frank: And I'd probably ask over \$100,000, try for it. \$90,000, something like that.

Michael: Online.shop?

Frank: Online.shop, you know, I really like that. I think that's one of those...so I'm gonna assume, and this is very important for those watching this, what is the renewal risk. Not all names in the renewed spaces have the same renewal risk. But assuming...and I think dot-shop is [inaudible 00:17:22]. So assuming that this dot-shop has a renewal price of whatever, a fixed low price, \$40, whatever, I would think this is like a \$20,000 to \$30,000 name, and I would hope to be able to buy it for \$5,000, something like that. So there's no money to be made there.

Michael: Yeah.

Frank: And also PublicEye, I saw that.

Michael: Yeah, I appreciate you picking some other names, but Preserve.life, you're looking at that as [inaudible 00:17:51] or...

Frank: Preserve.life, there, I would have thought they would have gotten it for registration price and...

Michael: Retail value?

Frank: A few thousand dollars. \$5,000 is a great [inaudible 00:18:00]. Somebody else is going to pour money in the platform, so there's more weighted value in here.

Michael: SmartUpgrade?

Frank: SmartUpgrade, I kind of like that. I think it's a good \$30,000...\$38,000 ask, sell in the high \$20,000s.

Michael: I love how you just like...pick these numbers. It just feels right.

Frank: I've seen it so many times.

Michael: Yeah. Then you mentioned Numb.com, and I can't remember who gave this to me, but...

Frank: I think that that...

Michael: Slightly negative, like Rat.

Frank: I think that sounded a little desperate. Like, "Wow, that names are indicative of a dot-com," and they're right. But to Drew's point, the delta between the...the market is maturing. You hear more investors speculate, there's people putting money into work in this space. I think it shows, it shows. As more people kind of buy names, there's actually a real market developing where people will, "If Drew doesn't buy it, Frank will," or somebody else. And so, I think that floor is increasing. It doesn't necessarily make the ultimate value of a name higher. It just means that there's a ready and willing domain to buy [inaudible 00:19:04].

Michael: And what would you put the retail price on that if you owned it today?

Frank: You know, it's so tough. I've got to pay \$50,000, and I would also think that...versus asking, we'd probably ask...

Michael: Yeah, versus asking.

Frank: Exactly.

Michael: And so this would be one where the retail and the wholesale sort of gets compressed as right, and you'd probably be happy with...

Frank: You know, a very tough call. I'd be happy with \$50,000. I think this one's closer, retail and wholesale are closer than [inaudible 00:19:36]. But just, [inaudible 00:19:40] mention here, somebody mentioned on her that...

Michael: Shane might mention it.

Shane: Late to the process.

Frank: A good example is Self.pub. I don't get that one, that doesn't...

Michael: That's not [inaudible 00:19:53]?

Frank: Yeah, so, not strong enough, you know what I mean? Pubs being used in pubs and bars. I get it, maybe as a good pointer. It still has value but I would go that high on that one. U4Energy, let it go.

Michael: Okay, all right. I'm gonna come back to you and ask you what you wanted it to be as far as numbers. Shane, let's go to you. What do you like on the list? You can mention one somebody has already mentioned.

Shane: I'm gonna say it's because I'm getting a little after these guys. But I'll say one thing about Rat, for instance. There's a new generation coming up

that doesn't, maybe, have the same [inaudible 00:20:28] ones that we have on certain names, that we think that would be terrible but they don't care. So, Rat, do it. Like, young kid to be some kind of brand, I think it would be cool to them. So we're thinking it's negative, then at night you hear me talking about something...

I got a 17-year-old daughter that is a fantastic person. She doesn't watch TV. She doesn't do any of the things that we did and we think are good or bad. It's a whole 'nother world. So it helps on some of these things, where I'll say "Rat" and I'll think that's terrible, and she'll go, "Oh man, that's cool."

Frank: No, she'll say, "That is you, dad!"

Shane: Yeah, exactly.

Frank: [Inaudible 00:21:01].

Shane: Yeah, so I look at things a little different, and I'm still looking at two sides because I'm an actual retail brick-and-mortar, who has to look at how much would I spend. I'm not a huge company, but these companies are buying names, and they're branding.

And so, Online.shop, to me, is too generic. That's not my company. That's a...if I'm a company, Online.shop's not where I'm going. I'm thinking of something else that represents me. ClosetDesign absolutely represents thousands of people that do that business. So I think that is generic, but yet represents. The other ones are just too plain. The PublicEye represents...

Another market that a lot of us are in...you know, I represent a little different than these guys. I'm doing it part-time, but there's a huge market in that [inaudible 00:21:53] name like Jitsa, a five-letter dot-com, that can be purchased, perhaps, under \$100, and sells quite often for \$2,800 or \$3,800, and you can...that's a great market still. My best sales this year have been Jeejo, J-E-E-J-O, five letters, to companies that are already named that but may be in a different country. It's short, it's under \$5,000...

Frank: Could mean something really cool in Thai.

Shane: Exactly. So that's a great opportunity, I think, in price to profit, where the ratio is fantastic on names like that. Are they gonna sell...is it Rat or PublicEye? No, but if you can build a portfolio of that there's an opportunity to put it in there. So I like a name like Jitsa.

The other ones, Drone, I think, is great, and I agree with Drew that I see where Drone might get excited, I see [inaudible 00:22:44] get excited. You can't lose right now. But long term, I'm not sure. I also...

2.cool, that's a pretty neat looking name. I don't know the renewal on it, I don't know...Like, 2.cool, if I saw that on print media...and that's how I think. If I'm driving down a highway at 65 miles an hour, and I'm gonna place my brand up there, are they gonna remember it? Because that's...It used to be a 1-800 number, "I gotta get it." Now, what we sell is what they're using, and I put all those names up there, I'm not gonna remember HealthyDessertsNow, I'm not gonna remember CompanionsToGo, but if I saw 2.cool, I mean, I would remember that.

Michael: Yeah, and thanks for seeing that. I ran it through Estibot, and I think it doesn't appraise single character or number or something. So I scripted it out of here, and I saw that and I forgot.

Let me ask you about a couple CCTLDs. One of the comments that I got from an audience member, somebody in the Sherpa network was like, "Everything's dot-com here. What about the CCTLDs?" So we did talk about dot-in. We've got a couple other CCTLDs: Disco.com.au, and we have USA.pm, I'm not even sure what that is. Frank, what do you think about those? Do you have any CCTLDs in your portfolio?

Frank: CCTLDs are tricky, you gotta be careful there. But I know, for example, [inaudible 00:24:07], who is moving towards granting the .au and [inaudible

00:24:10], so if all your Disco.com.au would also be [inaudible 00:24:14] Disco.au, well, that also [inaudible 00:24:17].

Michael: Do you have the same gut feeling around the value of Disco.com.au as you do .com?

Frank: I'm a big .ca holder, you know, a lot of generic .cas like Happy.ca, [inaudible 00:24:29], big, big, big words, and we sell those. They're not as strong [inaudible 00:24:36] as .coms. I think .com.au does better in Australia than dot-ca does in Canada. We've got the comparable population base. But I think the reason is just distance removed, shipping, isolation, currency, whereas in Canada I think it's lumped in with, "That's the 51st state."

Michael: Yeah, we love you guys. So, USA.pm, what do you think about that one, Frank?

Frank: You know, I don't feel it, but I like that it's "USA". That's certainly a really good...and if you were running it at nighttime, cable [inaudible 00:25:09]. But it's not an anchor site for any new start-up [inaudible 00:25:14]. That doesn't mean it doesn't have any value, it just means you gotta use it...use appropriately.

[Inaudible 00:25:20] we see more...one thing that we've learned being registerized, holy mackerel, do companies have a lot of domain rules. Big domainers are even medium-sized companies. They have 5,000-7,000 names. It's not unusual for a modest-sized company like a big network...USA Network might have 10,000 names. They're all used for different projects, this and that, [inaudible 00:25:42] because 50,000 names is just astonishing, the amount of names that I'm holding.

Andrew: I just heard a conversation, somebody was telling me that this show is kind of just like social for me at this point, because at...most of our business is coming from those companies now. These companies have [inaudible 00:25:59] 5,000, 10,000, 20,000 names, and they've accumulated

through acquisitions of other companies, accumulated through defense [inaudible 00:26:06] and purchases and opportunistic...

Frank: What the legal part doesn't want and the marketing part often does, USA.pm...

Shane: Sometimes we're fine up here because they're starting to...price is getting to a point where they're actually starting to think about selling at some point.

Andrew: That's a great observation. All of our business is coming from that kind of stuff, yeah.

Shane: Even I, little old me, talk to people, and they don't know they have it and they get in touch with a guy and, oh, yeah, they talk to him and then, you know, a year later, they're thinking, all right, when are we gonna sell some of these? We've kind of looked at what we have and, well, we just renew them.

Michael: Right, Drew, let's go to you. One name that, if you have in your portfolio, your personal portfolio, you like, and you're reviewing them yearly, like, "Yeah, I think I'm gonna drop this one this year," what do you think?

Andrew: VwgasFever, that goes out the window.

Michael: VwgasFever.com, because why?

Andrew: You know, I don't...I'm assuming there must be some kind of publicity reference to gasFever because of that whole tracking scandal. I actually have no clue, that was just what came to mind. But I don't know, it has zero value anyways, and then it has, potentially, a trademark-infringing name. There's no value.

Michael: Okay. Frank, what about you? One name that stands out to you that you can keep.

Frank: I would say one that we do closer to him, because this is construction, is ItsGoodStuff. So, that's one of the names that looks just about good enough to keep, and we all have those. But, if you have a lot of names in your repertoire, that's one you wouldn't necessarily jettison, because it's kind of like "it's all good", but it's not there, and you kind of kick yourself and say, "Well, if I had to go [inaudible 00:27:50]," so you pay the renewal.

But invariably, I have names like this that I've literally had for 17 year, so I actually let them go. I see that name, I think about some of the first names I read here, and I should go through my own repertoire and just jettison it.

Michael: All right. Now, having said that, before we get to Shane, if you received one inquiry in those 17 years, or if it had traffic over a certain level - and tell me what that level is - then you would keep it. So what's the threshold on [inaudible 00:28:20]?

Frank: That's a great question. We have names that get, what we call...we call it dim-level traffic.

Michael: The dim, D-I-M.

Frank: Noise in the background, you get this traffic in spite of yourself. People stumble upon the name. They're either curious to buy it, they're curious to buy a product that they think it is, something. The name gets a visitor from somewhere. And so, with a name like dim-level traffic, even at 10 [inaudible 00:28:44] a day, if it has any revenue, that kind of parked page that somebody's clicking on, cost-per-click ad on the page, you know there's [inaudible 00:28:52] there. But invariably, it [inaudible 00:28:54] if it receives, it, if it's ever received an inquiry, there's a potential buyer waiting on you.

But if you have names that get no traffic, no revenue, and no inquiries, you have a tree, in other words, falling in the forest that didn't really happen. This is more [inaudible 00:29:09].

Michael: Thanks, Frank. Shane, let's go to you. What's one domain that, if you owned and wasn't getting any traffic or inquiries, you'd probably let expire?

Shane: I saw U4Energy. I...Again, Drew's gonna tell me that it was a 1986 name and that it's...something I don't know about it when I see it, it makes no sense to me. And it's the kind of thing that I would forget to turn off auto-renew and stick it in my portfolio. My portfolio's full of that.

Michael: All right, Sherpas. Before we move on to the next section, any domain names on here you guys were like, "That's a winner, I'll make an offer right here, cash on the spot,"?

Frank: Yeah, there are. I'm gonna go first here because...there are actually three or four, but I don't wanna insult anybody because I'm...unfortunately, and I say this every year, that's the domain business, okay, and you gotta buy low...

Michael: You take an offer from a domain investor. So this is gonna be at the wholesale value.

Frank: [Inaudible 00:30:00].

Shane: And remember that you get so much credit for selling it to Frank.

Multiple: [crosstalk 00:30:06].

Michael: Frank made me an offer. Yeah, it was low-ball, but Frank made me an offer.

Frank: A quick run-off option here, and then the owner can still [inaudible 00:30:19].

Shane: [Inaudible 00:30:19].

Frank: [Inaudible 00:30:22]?

Andrew: All right, you start.

Frank: \$2,000.

Andrew: I'll go \$2,500.

Michael: \$2,500?

Shane: Yeah, I'll bid \$3,000.

Frank: \$3,300.

Andrew: \$3,500.

Shane: I'm out.

Frank: \$3,800.

Shane: This is a no-win [inaudible 00:30:37].

Michael: All right, so they're looking at the stats right now. Let me read the stats to you. [Inaudible 00:30:44] valuation 184, Frank said it was a bit high. The wholesale valuation...so if you actually go into Estibot and you put in more than one domain name, and then look at...download the .CSV, it'll give you a wholesale valuation, which is closer to a number that you might wanna acquire for. Sometimes it's low, sometimes it's high. Sometimes I get a wholesale valuation that's, like, \$400, and I'm like, ah, I just bought it for \$5,000. So...

Shane: I'm jonesin' up here, not having a beer in front of me. Like, I can't wait to talk.

Michael: \$18,000, \$5,000...

Frank: [Inaudible 00:31:13].

Michael: We've got a CPC at \$3.70 [inaudible 00:31:20].

Frank: No, I get it. But you know, it's a curiosity, my thinking I'm out at five is, you know, I love it [inaudible 00:31:29] it's just another one in the pile. But it is a good one in the pile, and if I give it another name you're like, yeah.

Michael: Who's got ClosetDesign in the audience? Who owns that? ClosetDesign...Designs or Design?

Andrew: Design.

Michael: Design, ClosetDesign. Who put it in? Oh, they're not here? [Inaudible 00:31:47].

Andrew: I need just to talk with them.

Michael: I know they paid \$18,000 for it.

Frank: That's an inkjet option personified, right, [inaudible 00:31:56] are in there, put it through in price and [inaudible 00:31:59]. That's the market with business-to-business, we've got the exact same things that are being [inaudible 00:32:04], all the money's made on buying.

Michael: Yeah, the money is made on buying. All right, any other offers you wanna make?

Andrew: Is the owner of PublicEye here?

Michael: PublicEye, who owns PublicEye? They're back there. All right, so we're gonna run an auction on PublicEye?

Shane: The reason he doesn't...he's not smiling is we're not shy.

Michael: All right, what's the starting offer?

Frank: I'll start at \$1,000.

Michael: \$1,000, Drew, you'll take him for more than \$1,000. \$1,500?

Andrew: \$1,200.

Michael: \$1,200, Drew?

Frank: \$1,500.

Michael: \$1,500? Shane? Come on. \$1,500. Drew?

Shane: I'm fighting against...

Andrew: Okay, I'll go \$1,750.

Frank: \$2,200. And here, again, is my strategy, folks. I wear him down and I make him spend money on a name I didn't really want.

Andrew: Exactly, should have seen that coming. Oh yeah, I'm actually not [inaudible 00:33:01] for five.

Frank: Oh, I knew it!

Michael: That's [inaudible 00:33:04], man.

Andrew: Okay, so I got ammunition. I'll go \$2,500.

Frank: \$2,890.

Michael: Oh, do \$3,000. That'll do it, yeah.

Andrew: \$2,890, geez, okay. PublicEye, PublicEye.com, all right. I'll go \$3,000, I'll go \$3,000. That's it, that's all.

Michael: Frank?

Andrew: [Inaudible 00:33:24].

Michael: Frank, Mark [inaudible 00:33:26] is a recent Sherpa. Talk about...

Shane: That's Mark's name?

Michael: Mark's name.

Shane: Mark doesn't need the money, so this is perfect.

Michael: \$3,000 is what's being offered, right, Drew?

Andrew: Pay for all your expenses in the show.

Mark: It would. I only have \$1,500 into it, so I appreciate it. However, I love the name. I love the fact that you guys like it and were willing to bid.

Michael: [Inaudible 00:33:52]. Thanks for sending that domain name in, Mark.

Frank: [Inaudible 00:33:56].

Andrew: [Inaudible 00:33:59].

Michael: He doesn't know, because he's got \$1,500 into it. He, like you, right, he bought them both. If he could have bought it and contacted people in the network, he could make \$1,500.

Frank: There lies the difficulty and virtue of the business, is there's liquidity, there are other buyers who see the same thing you see if they're good names. We all can...We're all getting better at telling the good ones from the

bad ones. When I began, I knew the good ones from the bad ones but there were so many more people, who aren't here today with us, unfortunately, who didn't know the difference between good and bad. People who persevere in this business, who come out here after you're learning whatever it is [inaudible 00:34:36] throughout the other 364 days we don't all see each other. And then, we all come back here and it's cool.

Michael: Yeah, exactly.

Shane: And I like Mark's story, because Mark is relevant. And I've told this to a couple people, that he's relatively new to the industry but he's a rock star in his old one. So, there's smart business people coming into the industry that are "newbies", but they know what they're doing. When he bought...\$1,500 for PublicEye, he knew what he was doing.

Andrew: It's money in the bank.

Michael: All right, now we're gonna move on to the NameJet list...

Andrew: Hold on, I'm looking for one more on the list.

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Finally, if you're struggling with how to buy, sell, and value domain names, you need to check-out DNAcademy.com. Published by me, Michael Cyger of

DomainSherpa, and trusted by Uniregistry to train their new employees, you too can learn using the DNAcademy accelerated learning system for domain name investing. Learn more at DNAcademy.com.

Andrew: Hold on, I'm looking for one more on the list.

Michael: Sure, you gotta hurry, buddy.

Andrew: I'll bid for \$1,000 on 2.cool.

Michael: 2.cool, \$1,000.

Frank: \$2,000.

Michael: \$2,000, so what are these guys doing here? It's dot-cool. You ever seen a dot-cool in the wild? No, but it's a single number.

Andrew: It looks good. It's like Shane said, y'all know, I don't love...I'm not gonna go there, I'm not gonna say it. But...

Michael: At \$2,000, \$2,000.

Multiple: [Crosstalk 00:35:31].

Frank: I bid \$2,000, and [inaudible 00:35:34] because I don't even know what the rule is.

Andrew: That's actually a good point, yeah. I'm stepping down, not gonna go above \$2,000.

Michael: Shane?

Shane: No, that's about...that's a good price.

Michael: Who owns 2.com, the number two dot-com?

Andrew: 2.cool.

Michael: 2.cool.

Frank: [Inaudible 00:35:50].

Michael: 2.cool, anybody? Going once, going twice...sorry.

Andrew: No go.

Michael: All right.

Frank: What are you gonna do? It's just a [inaudible 00:36:02].

Michael: All right, so...

Andrew: Cyger can't make love.

Michael: Why not? I can't bring the love? Another black ball for my show, though. All right. So, as part of the DomainSherpa Review, we also take upcoming auctions from NameJet, and we talk about...we've been moving towards no-reserve auctions. So we're trying to gear part of the show towards newer investors coming into the industry, maybe have \$200 budget for the year. Maybe you have \$1,000 budget for a year. Maybe you wanna put \$10,000 into the domain name industry. You're trying to find the right domain names.

Josh Eisenhower from DSAD, Shane's partner, has helped me pull together this list that he likes from a branding perspective. I put a couple names on here. These are the domains that are going to auction, so you have to get a bid in either by today or within the next week. The current bid, as of last night, and then whether it has bids...it doesn't have any bids yet, it says "No bids". What I wanna know from the Sherpas is, which of these domain names

do they like from an investment perspective? And these guys probably aren't gonna bid on these domains. Maybe they will, sometimes they like them.

Frank: I will bid on one of them.

Michael: All right. So we're gonna find out, from their perspective, what they like and why, and what the bid may go up to. Let's start with Shane this time.

Shane: I mean, DebtMedic, no bids, I'll take that all day.

Michael: So, DebtMedic.

Shane: DebtMedic.

Michael: It probably has no search volume. It's a brand.

Shane: Yeah, the "get people out of debt" stuff is, yeah, I mean, absolutely. As opposed to, you know, a name that's...FixedDebt or something, that's going for tens of thousands of dollars. I would take that opportunity and play \$1,600 on it.

Michael: Because you see what?

Shane: Because the debt recovery, getting out of debt and getting out [inaudible 00:37:48].

Michael: So companies would want that as their brand?

Shane: Yeah, just as a marketing name you could sell that for \$1,000. That's not a hard sell compared to...Josh, I see he put Seedmen on there. He thinks I buy every Seed name in the business. I do buy a lot of Seed, but I see fertility, not...

Multiple: [Crosstalk 00:38:05].

Michael: Frank, let's go to you. What do you like on this list?

Frank: Very quickly, DebtMedic, I'm just gonna jump in, I don't care for it because it's not beta-friendly. DebtMedic, DebtMedic, DebtMedic.

Shane: There's some at [inaudible 00:38:20].

Frank: Yeah, but FixedDebt, a lot better. DebtFix, it's beta-friendly and that's where you get from...to that \$10,000, because it's so beta-friendly. [Inaudible 00:38:31] one I would do is FlexLoan. It's easy to say, it's flexible...who wouldn't want a flex loan? I don't know any better than anybody, but if I did I'd...

Michael: And it's \$11 right now. If that would sell for \$100, that's a good deal.

Frank: Short name. I can see my email address in front of it, Frank@FlexLoan.

Michael: Yeah.

Frank: Yeah, it just feels right. That's a good brand to want.

Michael: Drew, what do you like?

Andrew: I'm in the same boat. FlexLoan is the one that popped out at me. I was like, well, FlexLoan.com, I mean, [inaudible 00:39:00]. It's certainly not gonna sell for that. It's great.

Frank: I wish.

Andrew: FlexLoan.com is a great name. I'm not really...there's nothing else on here I really like too much. You know, Seedmen.com, I'd probably throw down \$69 on it. You know, I might...

Frank: Or you can trade it to Shane.

Andrew: I might go \$100 or something. But yeah, there's nothing else. NoButt.com, officially the worst domain name in history.

Michael: Maybe somebody wants to [inaudible 00:39:29].

Andrew: That name has your traffic.

Frank: Only if there was a dash in there, then it could work.

Michael: All right, there's your quick preview of the NameJet domains coming out. Richard, I know you gave me a, like, "time is up", but Terry said that I could go until five 'til, and I've still got three minutes. So he trumped you. So, if you have a question for this audience, we're probably only gonna get to one or two questions, raise your hand quickly. All right, I saw your hand way back here first. Please, stand and state your name, and then if the question is for a single person go ahead and address it to them.

Marie: Hi, Marie [inaudible 00:40:00]. I have a question for [inaudible 00:40:03] before. I heard you talk about Rat.com being negative, but it's a three-letter dot-com, and as...if you look at it as a show for R-A-T, is that huge?

Andrew: Yeah.

Frank: It has great value, there's no question that it has value. I think the question is, from an investment perspective, what can you buy it for and what can you ultimately sell it for? It's a clearing value, a delta, the difference between what you're gonna pay wholesale, because of what it is. All of the aforementioned things that everybody has known, everybody in the other room and other rooms around the world know, about how [inaudible 00:40:41] wholesale and it's so high that the retail value, the delta, is so low that it just doesn't...you get cost-to-capital. You gotta put \$50,000 and it wasn't worth it.

Andrew: Yeah, and we really...The reason people are able to make so much money in this industry is because of the inefficiency. And so, the more pretty the name is, the more efficient that market becomes and, like Frank said, the delta closes and it just becomes ego. It's, "Oh my god, I wanna buy Rat.com because now I own Rat.com," but the margin for profit is gonna be very low.

Shane: We always talk about how many people want that, and no financial company will ever take Rat as their...if it's Rawlins [SP] and something, they're not gonna use Rat.

Frank: They're gonna find something else.

Shane: They're gonna find...because they don't wanna be associated with Rat. So anytime you take away potential customers, you lose value.

Michael: All right, we got a question over here. Please stand up and state your name and your question.

Man: My name's Phil Cameron [SP] from [inaudible 00:41:37]. I had a question. Do you think they're still about newcomers, newcomers to get into this spot?

Shane: It's always been about newcomers, because everybody starts new.

Man: And do you think that there's, on the markets out there, different countries, different languages, that did [inaudible 00:41:58]? Some words [inaudible 00:42:01] mean something in a different language. So do you think there's room for newcomers to invest in something that's not been invested in yet? And I'm not talking about the [inaudible 00:42:11] market, I'm talking about a different market that...

Frank: [Inaudible 00:42:16]. That could be great in [inaudible 00:42:22] or in Thai, or Indonesian, I don't know. There's always room for the newcomers to...

Shane: I always tell people, don't pretend your world is the world. We know what we know and, if you know, that's what this is all about. You know something that we don't. That's how we make money. So there's always room for [inaudible 00:42:42].

Frank: At the beginning of the keynote, my keynote, I had technical difficulty with trying to get screens going and have [inaudible 00:42:48] doing...anyway, [inaudible 00:42:51] was up there and said, "Everybody who this is your first time at a review like this, raise your hand." A third of the room put their hands up. I couldn't believe it. I was like, whoa, that's a lot of new faces. [Inaudible 00:43:06] face time, and face time with people I didn't, who didn't [inaudible 00:43:10].

Shane: We're all here because of opportunity, and there's a huge amount of opportunity. We all [inaudible 00:43:16] at a different part. I have another job, I work 80 hours a week, but I still am able to make a good [inaudible 00:43:22] in domain, and that's exciting. That's what our...and it can be done, because I do it every day. And so, there is opportunity for all different kinds of [inaudible 00:43:30].

Michael: So thank you all for coming to this session, and thank you to the people that submitted a domain name. And thanks to these [inaudible 00:43:40], these guys are [inaudible 00:43:43] industry, fantastic guys. If you wanna get a selfie with these guys, they're gonna be standing right over here, come on up. Thank you all for coming.