

### Interview with Bill Karamouzis, [HallPass Media](#)

Watch the full video at:

<http://www.domainsherpa.com/bill-karamouzis-hallpassmedia-interview/>

Note: Due to problems with the audio portion of the interview, in some areas of the transcript, words are paraphrased rather than verbatim. We apologize for the inconvenience.

Michael Cyger: This DomainSherpa show was recorded at the [TRAFFIC conference](#) in October 2011. In lieu of me talking about our three DomainSherpa sponsors -- who are on the side of this page -- I want to thank Rick Schwartz and Howard Neu for allowing me to host the fireside chat at the TRAFFIC conference. I also want to thank Danny Pryor of [Rodan Media Group](#) who put together the video and adjusted the audio levels -- which was no small feat, but he worked wonders.

It was an honor to contribute to this industry-leading event, and it was my distinct pleasure to interview keynote speaker Bill Karamouzis, a fantastic person with a phenomenal story.

I hope to meet you at TRAFFIC in October 2012. Here's your show.

Howard Neu: I'd like to ask our Keynote Speaker to come forward; Bill Karamouzis. And we have an interesting set up this morning, because Mr. Karamouzis is going to be interviewed by Mike Cyger, who is a great interviewer. Go ahead and come on up, and we're going to introduce the speaker and Mike, who you may know from DomainSherpa; who does great interviews. And we're going to do a little fireside chat, and then we'll open it up for question and answers. So, having said that, please welcome our Keynote Speaker, Bill Karamouzis. Welcome to Bill Kara.

Michael Cyger: Good morning everyone. As Howard introduced me, my name is Michael Cyger. I am the Publisher of DomainSherpa.com; what I call the domain name authority, and the place where you can learn directly from the experts themselves. I'm honored this morning to conduct an interview with Bill Karamouzis. Thanks, Rick and Howard, for this opportunity.

Bill Karamouzis: Likewise.

Michael: What I like to do on every show of DomainSherpa is start with a big question. And the big question for this interview is: how do you build two multi-million dollar businesses in five years with, arguably, marginal domain names? And then, do it again with the 20/20 hindsight that comes from that experience? Joining us to answer this question is today's Keynote Speaker, Bill Karamouzis.

Bill is the Founder of Hallpass Media, which is the now a division of Mindjolt. If you haven't heard of Mindjolt, it was started by MySpace Co-founder and former CEO, Chris DeWolfe. Bill is an expert in web site development; he started three companies, and he successfully sold all three companies. He's here to share with us how he built an online gaming empire, and more specifically, how domain names were a critical aspect of his latest company. Bill, welcome and thanks for keynoting this year's TRAFFIC show.

Bill: Thank you, and thanks everyone for coming out. I didn't think I'd make it after last night, but it's great to be here and over the next forty-five minutes, I'm going through what I've done with domains with my businesses, the pros and cons of, you know, mistakes have been made along the way. Some of the stories are humorous in hindsight. And my last round of development was one thing that I was proud of as there were other people that were much better funded than I was. And something that I think a lot of people here do is convey that message a lot clearer than I do – I'm not a professional public speaker, I'm just a developer, so I'm hoping I can articulate that message and if not then questions and answers at the end will allow you to grill me a little bit.

Michael: Let's start with a little bit of background. For those who haven't heard of Hallpass Media, can you describe what you do and the types of websites you publish?

Bill: Hallpass Media is a collection of online games and websites. We've taken premium domain names and turned them into really specialized content

hubs. So, some examples are WordGames.com and CookingGames.com. They're very focused, and in addition we have more general gaming websites like Hallpass.com, like CoolGames.com -- it's really a network of 15 sites now that reaches 6 million global viewers per month.

Michael: Let's start with the day you sold Hallpass Media to Chris DeWolfe. It was just this past April, 2011. What did it feel like on the day you closed on the sale, your third business sale?

Bill: That day was fun, it was neat. I got the check from the lawyer...

Michael: You actually got the check, it wasn't direct deposited into your banking account?

Bill: We're based in Canada and it's harder to get the funds. We got the check, went to bed, then got up the next day and went straight to work. We had to change ad tags on 15 sites and all the placements, so literally we went straight to work.

Michael: Because you didn't want the ad tags from your previous company to deposit funds into your account so you had to change them all over to MindJolt tags.

Bill: Exactly. So we literally got the check, deposited it, and worked all weekend. 'Hey guys, congratulations,' high fives and then worked all weekend...Friday, Saturday, Sunday, all weekend, almost all nighters changing out hundreds of tags. And then on Monday when we came in we celebrated.

Michael: Was there any Champaign going on in the office?

Bill: Not yet. It was exciting, but we had a lot of work to do. It's exciting when it happens, but right after it happens there are expectations from the company that just acquired you, and we wanted to send the message that – now that we're equity holders in MindJolt – we are passionate about what we do and I think that's what we did.

Michael: A lot of times when a domainer will have a big sale of a domain name, they'll go out and buy something...they'll buy a new watch, they'll buy a new car, maybe they'll buy a house. Did you buy anything new when you sold Hallpass Media?

Bill: When I sold Hallpass Media, it wasn't that type of celebration because we had to do work at MindJolt. When I sold AddictingGames.com I went out and bought some things. I took my family to New York and tried to get my mom to go on a shopping spree. I kept throwing things in the cart and it wasn't going very quickly or smoothly, and so by the end I think she got a couple hundred dollars of clothes. I said, 'mom, come on.'" But yeah, we did some travel and things like that.

Michael: We're going to get into the details of the transaction, but when you sold Hallpass Media, what was the size of the company – that you still run now – unique visitors, page views...

Bill: We're in the 6 million unique visitors per month range, which includes our 15 developed websites and our parked portfolio of 35-40 premium domains that we haven't had a chance to get to like newgames.com.

Michael: So 6 million unique visitors per month.

Bill: Yes. And probably 40 to 50 million page views per month and then you're looking at about 150 to 200 million banners across the network. We'd be hitting peaks of about 400,000 uniques per day.

Michael: When you sold the company, what was the revenue of the business?

Bill: Revenue would be covered under NDA, so I wouldn't be able to say an exact number.

Michael: Those of you that watch the DomainSherpa show know that I don't let people off with just that questions. Was it above 6 figures?

Bill: It was in the 6 figures range. [monthly]

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Michael: I suppose if I asked you what the sale price of Hallpass Media was, you would say...

Bill: NDA. Unfortunately, yes, I'm not in a position to say.

Michael: Let's go back in time now and figure out how you built three successful companies and successfully exited them. The first company you started was called FPS Networks, but just prior to that you actually had a 9-to-5 job.

Bill: I was a website administrator at Health Services, an equivalent of the state health authority. It was the fourth largest employer in the state, and I was the website administrator so I did everything from update websites to building virtual portals for hospitals.

Michael: So people would tell you what to program, you'd put on the website, you'd make sure the website was up and running.

Bill: Those days, content was very basic. So there was an initiative maximize dollars and have very accurate medical content. So I was the IT person in Public Affairs and the website was in a limbo phase between it being a Public Affairs tool and an IT tool.

Michael: During that time you started a website on your own, after hours, using published jokes, videos and games. What was that domain, what was that website?

Bill: Initially it was like GeoCities where people would have all this type of crazy stuff, but eventually I thought I should grow the domain and see what happens. So I started this hacker network, and a lot of people at the time aspired to be hackers, and I put up animations and I put up games – whatever I could find – jokes, and it just grew. At one point it was reaching 6 million per month.

Michael: Six million unique visitors per month...you must have been raking in the cash at that point after hours working at Health Services.

Bill: Yeah, you'd think. So back then you weren't worried so much about the money, we were hoping the advertising companies would stick around long enough to pay you. So my first gut check was that month that we had 6 million viewers, we made \$2,000 and by the time the check was supposed to come around the company had gone bankrupt. It just underlines the fact of how many scams there were back then, and still today advertising's not where it should be. That's how it was back then, we were just hoping, 'is this money actually going to come?' Eventually I did find a way to make money.

Michael: What happened after that website? Clearly, you cut your teeth as a website administrator, then you built your own website where you had enormous traffic. What came after that?

Bill: Each year you would get better advertisers. We started working with a company in New York and they started getting advertising for us. We were growing traffic, but they had a hard time selling ads on our site because the site was called Hacker Network, and it had nothing to do with hackers but the stigma repulsed advertisers. Most people coming to the site would see flash animations and flash games, so they said why don't you name it something that makes a little more sense? So I went shopping for domains. I initially had flashcollector(.com), and I looked around and saw that flashplayer.com was going to drop, so I put in an order with SnapNames.com, I think, and it dropped and I paid \$69 or \$80 for it and I couldn't believe that I got it. Macromedia didn't own it.

Michael: The Flash player from Macromedia was actually out at that time, and they didn't own flashplayer.com?

Bill: Yeah, it was out and popular at the time. That was the time we were getting splash pages made of flash, where things would fly out at you. Flash was still pretty basic, but the potential was there and it was being used for animations and games and splash pages.

Michael: So you were amazed, you bought it for \$60 or \$80 off the drop and what happened?

Bill: I thought I could retire given that I had hit the jackpot. So I went to sleep thinking I'd wake up in the morning having 300,000 people visiting per day and the next morning I checked the stats and it was 100. I figured I'd have to stick with it for a while.

I looked at Macromedia's website, and it listed a bunch of trademarks. Flash was trademarked, and variations of flash, and flash player wasn't listed so I took a screenshot of it and I thought 'I can't not use this domain.' In hindsight building a business on a domain name like that was absolutely incredible.

Michael: So you took all of the games and animations you had on the original hacker network website and put them on flashplayer.com. It was a more credible website and now UGO was able to sell more advertising for you.

Bill: Exactly. It was a much better domain name to remember. And the 300 people per day that visited didn't have flash installed on their browser, so they couldn't view our content so we had to give them information to install a flash player.

Michael: How successful was flashplayer.com? How big were you able to build it?

Bill: Flashplayer.com had animations and games on the website and at the time we were monetizing through banners sold to advertisers, and with bandwidth so expensive we had to surround our games with ads. Most of our viewers were visiting from work or school, and we made less money because we didn't have adult-related ads but people could view our games from school or work without being blocked. So we were making a lot less, but we focused on user experience and growing over the long term eventually making more money.

Michael: So while your competitors were able to get more revenue per visitor, you decided you were going to go for more visitors and make less revenue (in the short term).

Bill: Yes.

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Michael: What did it feel like building your business off of a trademarked domain? Flash was a technology owned by Macromedia, you were using a domain with that word. Did you lose sleep at night knowing your making money and have millions of website visitors – and you may lose your domain at some point?

Bill: Probably at the beginning when I first launched it. But as time went by, I became more confident. We had hundreds of developers and content, and eventually I started to think that I had a lot of pull – whether that was true or not – I felt that Macromedia needed us and these developers. After two years of not being contacted, I thought – whether it was right or wrong – it ended up being alright.

Michael: So Flashplayer.com was successful, you had UGO selling advertising for you, you had a great domain name that was getting some targeted type-in traffic...what was your next step in the evolution of the company?

Bill: The next step was really hiring the right people. It seems like every time we would have a big traffic spike we would crash. It was just the Internet back then; get highlighted on Slashdot.com and we would crash. So I hired my first employee which was a high school friend of mine and he became our lead programmer. He rebuilt it [our platform] from scratch and our goal was that it had to scale – our servers, our coding had to be really lean. So that was really the first step from what I did to building a company.

Michael: So then you built a platform and flashplayer.com became more successful because it stayed up and running through spikes and was able to serve more customers. Did you look to expand the business by buying more domains at that time?

Bill: Yes, I did. I looked at developed websites because I didn't understand the power of domains at the time...it just didn't register with me. I looked at the competitive landscape and there was this really great website called addictinggames.com, but they were more a directory sending traffic to other websites. So I thought if we took this website and put our platform behind it, we could own the traffic. I reached out to the owner. He was making \$20,000



to \$30,000 a month (in revenue), which was a lot of money, and he didn't want to sell, so it took nine months of going back and forth – do you want to sell, do you want to sell – and finally he found something he wanted to buy and needed money. He emailed me and said bring X dollars to my house and finally you can buy this, and I was able to get enough money together including tax money that I was supposed to pay, so I took all that money and flew to Vancouver with that money order and flew to Vancouver to do the transaction. Then I had to fly back the same day because I didn't have enough money to stay over in a hotel. We came back and started to develop it out.

Michael: Wow. So you flew there, you put all the money down on the table, you went all in, you had \$1,300 left, you flew home with a wallet a lot lighter, you had addictinggames.com which was making \$20,000 to \$30,000 per month, and your thinking was I can grow this to make more revenue. What were you able to build that into?

Bill: 30 days of non-stop development. Right away I hired my second employee. And I hired a contractor to help. We started developing. We reviewed screen shots of something like 4,000 games. And 30 days later we put out a site. On other websites you never knew when they would publish new games, but we published a schedule of when new games would come out – you'd go there and be disappointed, so we published a schedule so people could expect them. We would put out new games on Thursday night and then would see a spike on Friday, so we built that pattern. So we did things like that. We'd also optimize the graphics of every single game. If an image were 10KB we'd take it down to 5KB to cut our bandwidth in half. You'd visit other websites that had large graphics and it would take a while to download and it was graphically intense, and I didn't think that was a good customer experience.

Michael: Thirty days from the day you purchased to the day you relaunched. Were you able to use some of coding from flashplayer.com?

Bill: The engines were slightly different. Flashplayer.com had a lot of interaction on it, but we needed this to scale. So we bought 64 servers to run addictinggames.com.

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Michael: So you took addictinggames.com at \$20,000 to \$30,000 per month, you redesigned it, built with a new platform optimized to deliver fast-downloading games, what was your revenue the first 30 days?

Bill: After development it really spiked. It spiked to between \$200,000 to \$300,000 per month.

Michael: Wow, so you took it from \$20,000 to \$30,000 per month to \$200,000 to \$300,000 per month in 30 days.

Bill: Yeah.

Michael: You grew addictinggames.com and flashplayer.com – those were your two main business lines, is that correct?

Bill: Yes.

Michael: You sold ads on there. People would come to play games and see ads above, ads to the right, ads below the games?

Bill: Our ad strategy was a little different. We weren't as aggressive as other sites. Our focus was more on the user experience. It didn't produce the most revenue, but we really wanted to grow and get scale so we put two banners per page. We were really light [on ads displayed] but we were focused on high quality advertisers. So while we may have had less ads per page, we had more page views and then UGO would go sell against that volume and it was all driven by the user experience.

Michael: You focused on the user experience, it was fast loading, it was no adult content, and you had outside companies representing you and selling the ad space and they were interested in doing that because you had all that volume. What does an outside [sales] agency typically look for? Unique visitors, page views, impressions?

Bill: I think it's a combination. They want to know the demographics of the advertising base, so 18-35 year old males is what UGO wanted. We fit that profile. Once you get a certain volume, 100,000 uniques per month, and

10,000 a day, we had virtually every ad company wanting to work with us. Every week an email would come in from an ad network wanting to work with us, but at the time in 2004 it was a bit shady and you never knew who was behind the ad network. It was difficult to find good advertising networks at the time.

Michael: When you say people were contacting you out of the blue, how would they even know about your company? Clearly having 100,000 uniques per month and 6 million per year is a lot, but how would the buyers know to look for properties like yours and contact you?

Bill: I think ComScore was a big indicator of top properties, and then it ties to competitors. I would go a couple of days and then get calls from buyers, and it was pretty fun. I think that's how they'd get their information.

Michael: You were monetizing content on your websites. Your content was the games, and you couldn't develop all the games yourself otherwise you'd need a whole army of employees. What was your strategy for getting all that content – all those games?

Bill: Web 2.0 was huge for content and user generated content, so that's what we were doing. We were providing a platform for the content and a site where developers could distribute their content and get it out in front of people. Sometimes we would do deals and pay the developers. Paypal wasn't big yet and the systems to pay people were difficult outside of the country, even in the country.

Michael: So the game developers knew about your platform and the reach, and a lot of game developers came to you and said we want to publish our games on your network for free and you have the rights to use it?

Bill: Yes. We did some combinations too, where there was some pay. But the games that really did well came from guys that just made them and provided them for free. But they didn't know about how to build a website so it loaded quickly, if we launched it and had a spike of traffic they didn't realize that their game wouldn't load quickly. So we would help with that.

Michael: A majority of the content was user generated content submitted for free? How did it break out: content you paid for versus user submitted free content as a percentage of all content on the site?

Bill: It was probably 90% free content. Over the years it's gone down, and now we're probably about 40% free submitted content.

Michael: When you develop content are you developing it with an advertiser in mind, or because you know what's getting high traffic on the site?

Bill: On the site, we build content based on the demographic profile of the audience we want. But on a game by game basis, it's a lot of user generated content. We just make sure the games are quick, user interactive, fun, and other qualities that will make the demographics that we want come back to the site.

Michael: In the pre-interview you told me about a great advertising campaign that you had, where an advertiser stuck out more than usual. Can you walk us through the Xbox campaign or another one that you built?

Bill: One that was really crazy was Discovery Channel. They have this program called Shark Week that guys love. So they made a flash animation that looked like a shark flew out of your screen, and people actually like it. So when you have an ad that people actually like, they're going to watch the show, and tell their friends. So ads like that, really displayed how well it can work and if all of my advertising was targeted like that, it would be great.

Michael: You mentioned you weren't paying game developers at the beginning, but you're paying them now. What does a game developer typically make per paid game?

Bill: It's changed, but for now we're paying our top developers \$300,000 per game...most are probably \$5,000 or \$6,000...is a good amount. A lot of developers have made over \$100,000 developing games and they've got interviews and job offers as a result of their games.

Michael: So \$5,000 and you get a game whereas Sega or Wii spend millions of dollars developing, manufacturing, packaging, getting out to the suppliers to get people to buy it.

Bill: I think that's why we're more focused now on social games. The costs and risk are a lot lower, so you can risk a lot more on game developers. You can have more misses.

Michael: Let's say you get a game for free. You get it in-house and it looks like a great game. How do you quality assurance check the, say, 30 levels? Do you play two levels and then assume the entire game is a quality game?

Bill: The first few years, I was editor of the site so I would check the games. It was a long process and I'd try to get to every level. I would check the game, take the screenshots, and play them as far as I could. I'd do the best I could and take the game live, and then get a bunch of emails from users saying that on level 30 a giant penis would come out and start eating the character. You don't know why, so I'd email the programmer and say you realize your game has millions of people playing ... why does a penis come out on level 30 and eat people? And they'd respond, oh I didn't realize that it was going to be used by people, let me send you something that's not so crazy. So, it happens.

Michael: You mentioned a schedule earlier. You'd get games everyday from developers who want to be highlighted. What's your process for taking them live? How long would it take you to get a game and have it go live on your website?

Bill: It could take up to 60 days. Eventually we started getting so many submissions that we couldn't keep up with them. So we'd have a queue and if we found a great game we might move it up the queue.

Michael: Every time you'd publish a game, you'd notice a spike in traffic and it would come down, but the overall trend was constantly growing?

Bill: Absolutely. It was constant growth, and we'd take breaks in content and the users would get upset. So we never took time off, we needed to have fresh content up all the time. Once we set the Friday publishing schedule, it was

like the holy grail. You have to have new content up. Doesn't matter if you're sick. I would think that we never missed, maybe we missed 3 updates in 8 years. It was a really important part.

Michael: Most people would think that an online gaming company is so easy. You just put up games and people come. So opposite the newspaper world where you have your deadlines, stories, pages built, on driveways in the morning, but there are a lot of similarities between the two businesses.

Bill: Absolutely. If you want to be taken seriously, there are things you have to do. You have to watch your competitors, meet the schedules, hire the editors, etc. Only in viewing a game can you determine if the game is going to be great or not.

Michael: So with flashplayer.com and addictinggames.com, people were taking notice. They'd see you on ComScore as one of the top 1,000 websites in the world, and they started contacting you for advertising, for partnerships, for investment, and suddenly an offer came in. How did that happen?

Bill: We received a lot of offers that we never took seriously. Some of the VC offers that came in seemed sleazy. And eventually, I received an email from Mika Salmi who was the CEO of Shockwave. It was really short. He wanted to get together and talk about the sites. I didn't view them as a competitor, but at the same time they were an investor in Macromedia. And I thought, the day has arrived. But it was just a conversation so I flew to New York and we had breakfast and talked about what's been done.

Michael: So they were actually representing a competitor. How did that transpire?

Bill: Shockwave was really popular. UGO had a first right of refusal on flashplayer.com. We went down to San Francisco, and spoke to the CEO of Shockwave, and we talked about finding a mutually beneficial win-win scenario. And I was expecting nothing to happen. I was expecting this to get ugly, but it never came to that. There were no legal issues.

Michael: So Atom Entertainment (Shockwave) ended up buying addictinggames.com, UGO ended up buying flashplayer.com, you ended up with cash in your pocket and a contract to continue working with both of those companies for a number of years?

Bill: Yes, exactly that. I was restricted to working on only one of my domains at the time on the side. I also became one of the largest shareholders of Atom Entertainment.

Michael: I interviewed Rick Schwartz on the show and he told me during his DomainSherpa interview that he likes to take a small portion of his cash sale as stock or options so if there's a big sale down the road he gets a portion of that upside. You did the same thing with Atom Entertainment, becoming one of the largest shareholders of Atom. What happened to the shares of Atom and UGO that you owned?

Bill: It was a weird situation because the sites kept growing but the shares were the same. They were in business for seven years, and who is to say whether they ever get an exit. I was a significant shareholder in Atom Entertainment and a smaller shareholder in UGO. It worked out favorably that after their seven year journey, six months later Viacom comes along and snaps up Atom Entertainment. So all of the problems and legalese that they put in my contract just triggered with the sale. 18 months later UGO entertainment was bought by Hearst Interactive.

Michael: And you had a clause in your contract that said that if there was an acquisition, my shares get triggered and I get paid out?

Bill: Part of my security was structuring that deal so not all the risk was at the end. Addictinggames.com grew to the largest games website in the world, so it worked out well.

Michael: You built two wildly successful gaming businesses, you successfully exited both those businesses, you got a contract to work with Atom and UGO, and you maintained and started building Hallpass.com. What did you want to do differently with Hallpass.com, knowing what you learned from your prior years' experiences?

Bill: In my eight hour workday, I had two hours to spend on Shockwave stuff, two hours on flashplayer stuff, and four hours on my own projects such as Hallpass, so I actually did a lot of work. Obviously flashplayer.com was a great domain name, look at addictinggames.com it was horrible – it was hard to spell, there were tons of typos of it, that wasn't the way I wanted to go. I had to find a really competitive advantage that was sustainable. If buying users were priced at 10 cents, they were going up, and VCs wanted scale. The competition had changed. If domains had type in traffic, I wasn't sure if people were actually typing in domains any longer. I started reading all the blogs, like 80% of the bloggers here, I couldn't believe I was reading and I thought it was an opportunity. I looked at Hallpass and looked at page views, time on site, things like that. I knew people wanted to play more games. The information was there. People that played word games didn't play other games. I started optimizing by content type so in order to test my theory I bought some domains and put out targeted sites. And our stats showed that people played more games, and our bounce rate dropped from 50% to 20%. That means that 50% of the people that used to come to our site would leave after viewing one page and then go to other sites. Now, 80% continued onto another page and it's enormous the revenue you can get from keeping people on your website. Once that idea was proven successful, I took \$2 million and bought other domain names. And I decided that was going to be the direction that the company was going to go in...these sites that have natural type-in traffic we're going to use, and put premium content on them, and watch our stats increase. Our page views per visit went from 5 pages per user to 10-12 and time on site when from 5 minutes to over 10 minutes. So we went from users only making use of 30% of the website, to using 100%. And advertisers loved it because people were staying on the site longer. From an SEO perspective, if you look at any one of our names, they're all on page one of Google for a particular phrase. So the domain strategy, content strategy and SEO strategy are all wrapped into one. The domains were all there for the picking; I just went through and contacted as many owners as I could that would sell them to me for a price that I thought I could monetize them for.

Michael: CookingGames.com was one of the biggest news stories of 2009. Ron Jackson mentioned it in his news stories, after double and triple checking it. He couldn't believe that someone would pay that much for the domain



name. You bought CookingGames.com for \$350,000 in 2009 from Nokta Domains in Turkey. Why was CookingGames.com worth so much?

Bill: The content of cooking games was one of our most popular titles. I was a little hesitant about the domain name, and I started talking to them and they told me it was making \$40,000 per year parked. So I did the math and it was making more than bank interest, it's making more than my other investments. It took me a long time to decide but it's high search volume along with it having the top content that our users wanted. So we negotiated and I bought it. After that information came out, all the other domainers jacked up their prices and so I knew it was time to develop the domains I had. We put up a site and I think it's a beautiful looking site and the growth has been phenomenal.

Michael: We're going to open up for questions and I think Howard is going to moderate that. While you're thinking of questions, I want to finish up with a question about premium domain names. The critical part of Hallpass games and part that led to your success had to do with how much money you were spending to promote flashgames.com and addictinggames.com and today your competitors how much they spend on advertising, but with your premium domains you get enormous search volume -- and if you're not sure about the search volume, go type "cooking games" and do an exact match search on the Google Adwords Keyword Tool – 600,000 just in the US, over a million worldwide. How was having the exact match domain helped your business and saved on advertising,.

Bill: That's the core value with premium domains. We're getting 25,000 type-ins per day and that would cost us a minimum \$0.10 per user, so our advertising budget saved is essentially \$2,500 per day. So we can take that money and spend it on content. In a recession, that's the greatest thing we can have because the first thing people cut is their advertising budget. Our competitors have "turtled up" and are waiting for this recession to end, where our advertising was built into the value of the asset and that doesn't change. That's why the domains are so valuable, because the value doesn't change. So if we're saving \$1 million dollars a year by not having to buy users, the cost of \$350,000 for the domain doesn't seem like that much. You, instead, put that money on content, on engineers and on infrastructure, and all of the

sudden you're competing with companies that are spending millions a year, that are well funded, but if you have solid fundamentals in business – it will come back to you. That's where solid domains come in. That was my learning in domains. Our growth hasn't changed, we've been a steady straight line when our competitors have struggled at times.

Michael: We're out of time, I apologize. Bill, you're around for the next couple of days so please ask him your question directly.

Howard: Before I let these two guys go, I just wanted you to know that when I saw CookingGames.com up there, I put CookingGames.com in my iPhone and I saw it was mini café in. If you like games, and I'm a big gamer, now you can get mini café. First of all I want to thank Mike Cyger, please give Mike Cyger a round of applause for being a great interviewer. And, Bill Kara, he gave us some great information and I congratulate you on your success and I know that you're here to share that with everybody. I apologize for the lack of sound quality, but we're working on that and we'll have that better as we go along. Thank you all for staying and listening, and thank you Bill Kara, big round of applause.

**Watch the full video at:**

<http://www.domainsherpa.com/bill-karamouzis-hallpassmedia-interview/>