

Interview with Eric Borgos, Impulse Communications

Watch the full video at:

<http://www.domainsherpa.com/eric-borgos-impulsecorp-interview>

Today's DomainSherpa interview is sponsored by the following companies:

First, where do you go to research domain name availability, look-up current and historical WHOIS information, and find domain name sales history? Ever wonder which other websites use the same hosting resources you do? DomainTools.com provides a complete picture of a domain name – from research to monitoring – and is trusted by more than 1 million members around the world. Did I mention they'll monitor domain names for you for free? Check them out: DomainTools.com.

Second, do you have a domain name or website legal issue that you need help with? David Weslow provides legal representation for clients ranging from individuals to Fortune 500 companies in domain name transactions – whether they're disputes, trademark and copyright claims, or web hosting and content liability issues. As a former software and web developer, David understands your needs and goals. Whether it's a cease and desist letter, a UDRP case, or buying or selling one or more domain names, contact David Weslow at NewMediaIPLaw.com.

Finally, you know that being on page 1 — the first page of results — of a major search engine like Google or Bing can drive exponentially more traffic than being on page 2 (or worse). if you're a domain developer and in need of immediate, free advice to get your website to the top of the organic search results, will you go check out Page2Sucks.com? You heard me right: Page2Sucks.com.

Here's your program.

Michael: Hey everyone, my name is Michael Cyger. I'm the publisher of DomainSherpa.com, the Domain Name Authority. How do you, as a domain investor or entrepreneur, make your domain names work for you rather than

you working for your domain name? Joining me to answer this question is Eric Borgos, owner of Impulse Communications. Eric, welcome to the show.

Eric: Hi. Thanks for having me.

Michael: You've been in the news recently for a couple of big domain names. And when I say recently it's all relative. I'm looking back a couple of years until today. The first back in January 2008 you sold bored.com. B-O-R-E-D as in I am at work and I am bored. You sold bored.com and 170 other domain name properties for \$4,500,000. Is that correct?

Eric: Yes, the sale was really just bored.com and those other domains were kind of part of the bored.com network. And no one didn't really care about them but they kind of linked to each other as in content and it didn't really help me to have those domains without bored.com. So we kind of all made it part of the packet and we sort of valued it at \$4,000,000 for bored.com and a half a million for those other 170 names. I'd kind of done a chart with a spreadsheet with the income of those names so if you want them you could take them, if you didn't you didn't. So I came up with \$500,000 for them. So he didn't really care about them and he probably didn't want to deal with them but I told him that it would be kind of crazy for him not to take them because like I said there was a lot of shared content. It was all a really good set. So it was crazy not to just have them all. So none of the domains themselves were really much value it was just a bunch of sites that got traffic that bored.com linked to some of them. Some of them just had duplicates of content on bored.com. So anyway the main thing was bored.com.

Michael: Yes, OK. And I went on to bored.com yesterday and I know they have done some work on it since you sold it back in January 2008. But it is basically a way if you are bored you can go kill some time. Like, I got on there yesterday and I just clicked to a couple of games and I found a Flash based game where you can catapult some boulders at castles, like I killed 15 minutes like that. I needed to turn off my computer or otherwise I would be able to go pick up my son on time from daycare. So was that the original intent of the website? To just help people kill time?

Eric: Yes definitely. It started back in 1997. Well, I mean I have been picking out domains since like 1995, but most of the domains I got were ones people didn't pay their bill for, like domain dropping. But back then there was no automated programs to do it and there wasn't really a business of domain dropping. So I used to have a little handwritten list and I'd scribble down names that didn't work and I could tell if it didn't work. I'd look it up and see when it might expire. Back then, there were no real rules about how long it would be. Like how long a person had to pay the bill after it expired, so I was totally guessing about a month or three months. So every day, I'm out on the east coast and I'd be up at 5:00 am checking all my list of domains which was my network seem used to take them away and they would make them available. So bored.com was one of those names I got.

They didn't really have a use for them so bored.com was the only one that I actually set up a site on because about six months later a bunch of people was asking me what was my favorite sites because they knew I was into the internet. Back then in '97 it was like a whole new thing back then. People didn't know where to go. Google didn't exist or just wasn't being used much so people wouldn't know where to find stuff to do on the internet. So I just made a list of people and instead of them asking, just look at my bookmarkers and those are my favorite sites. Bored.com just started off as a big list of links. And that is all it was for many years. It was great name but tons of people go to it just because I had links to cool sites on the internet. It was a way to waste time but the problem with that was they were wasting time and I was sending people to all the other sites and they were making the money. So, I didn't really make any money from it for maybe the first three or four years on it, just because I was sending traffic to all these other places instead. So I ended up changing that after the first couple of years.

So from the user's point of view it looked the same but instead of sending people to other sites I sent them mostly to my own sites. Now I just create all sorts of things like games, like you said, or – but mostly other things. Not copies like, just copy concepts of whatever people seem to like and make my own version of that that look better. Or I thought looked better or at least had more legitimacy. There were a lot of sites to back then that just with tons, and tons, and tons of ads, if you are going to start a business or were a buyer or so. It was just anything that I did internally. I'd know the site could be good

and not try to scam people and try to redirect them to the bad or inappropriate stuff because a lot of kids go to bored.com.

Michael: So when you sold the company it sounds like it was similar to a yahoo.com where these guys created the best links on the web. You were doing the same thing before the web was like the web that we know about. When you sold the company do you remember what your page views, unique visitors were on a monthly basis?

Eric: Yes I was getting about 70,000 users a day at bored.com. So about two (Audio skip 05:22). And I didn't do any advertising. I didn't really do any promotion other than I mean the promotion was that – I didn't have any search engine's specialists or anything like that. The only promotion was I would try to get links (I didn't do link trade) but each little thing I added to bored .com I would maybe submit to the search engines or a search engine program or something like that. Basically I kept adding new content to bored.com and I would get more traffic over time. About half the traffic was type-ins.

Michael: So you have about 2,000,000 unique visitors per month. How many page views did you have?

Eric: I think it was about 6,000,000 page views.

Michael: Six million. Wow. And do you remember what the revenue was for bored.com when you sold it?

Eric: Yes it was about \$55,000 a month revenue and I was making a profit of around \$35,000 a month. That is what kind of killed me to sell it especially since this is right before the economy tanked. So there are so many internet companies being bought for millions and millions of dollars, crazy prices where they weren't making any money and I would have loved to sell for \$20,000,000 or some other domain name that I wasn't making money for \$4,000,000. So the problem was that I was making \$35,000 a month profit for it. So the \$4,000,000 is a great price but as a business it actually wasn't a huge internet kind of price because I have pretty much now lost all of my income. So, it wasn't a no brainer for me to sell it but on the other hand it

was just – I figured at the time it was worth it just cashing out and I still had so many other businesses online and so many other domain names that I just didn't want everything to be virtual.

So, it wasn't that they hit some sort of target price and that I finally said to myself that I have to get out because things are going to go bad but it was just a way to kind of put some money in the bank and kind of not worry so much. Every day of running a business with everything virtual I was more worried about if my servers were going to go down, if a law suit would happen if the internet would suddenly drop off the face of the earth. You know nobody would care about domain names. So it was just a way to kind of slow it down a little.

Michael: So we spoke in the pre-interview Eric that anything is on the table and that you are very open with a lot of your information, which I personally appreciate and I know a lot of viewers are going to appreciate. When you ended up selling the bored.com and the associated network for \$4,500,000 what did you end up seeing in your bank account after your brokerage commission and taxes?

Eric: After the brokerage commission and taxes it was about \$3,000,000.

Michael: How did it feel when you saw an additional \$3,000,000 in your bank account the day that the transaction closed?

Eric: Yes, it was great. That is why I did it. I mean up until that point, before that I had about \$200,000 in there. And as of like two years before that I had pretty much zero. And it's not that I had no money I was pretty much putting it back into my business so I was making a good profit at the time because of the \$35,000 a month that I was making but I was investing it in other things or more into bored.com maybe. Or I was paying off debt because like two or three years before that I had up to \$200,000 credit card debt from business, things that were standard like 20% interest. The thing is I was never doing bad. I always had domain names that I could sell and I was always getting offers, I was selling domains plus my other sites, so I was never doing badly but I never had any extra cash. I think that is the same. A lot of it is the same.

I have had partners in other businesses since then and this is the problem that there is never, at least from the owner point of view, there is never any extra cash. So even if you are making \$35,000 a month it goes somewhere. I don't have a fancy house, I don't have a fancy car, I don't spend money, I'm not going out regularly, so it wasn't being spent on that. But there never seems to be any extra. So the only way for me to have any extra to get that huge amount (that \$3,000,000) and that was extra. So basically it is not extra where I am going to go and spend to buy a mansion or a yacht or anything like that. It is to have in the bank to get interest off. So the biggest, biggest problem of all of this is I sort of figured that \$4,000,000 was a good number to replace my \$35,000 a month income because interest rates were 5% back then to have to stick it in a CD. I didn't want to buy stocks or bonds. I like nice safe things because I figured if I like not gamble but anything risky I might as well just keep bored.com since it wasn't that risky. I owned it but it was still internet.

I didn't want stocks or bonds, because that was a risk and it turns out that was a horrible time to have stocks and bonds so I am glad I didn't buy stocks and bonds. So the biggest problem was that interest rates went from 5% to pretty much zero. So my plan to just sit there and live off the money in the bank didn't work at all. So I'm sure that interest rates will go back up again so I am not too worried but for the last three years I haven't made pretty much any interest on it. So I have been focusing more in business. I don't think I would not do business no matter how much money I had.

Michael: So after taxes, after the taxman came and took his share and brokerage fees, you have got \$3,000,000 did you go out and treat yourself to anything? Buy a new car, take an exorbitant vacation?

Eric: No nothing like that. Again even before I started making even a good amount of money on the internet I always would put stuff on credit cards. So I don't live expensive at all, if I wanted to take a vacation or if I wanted to go out to eat a lot or something like that. So it never really – my lifestyle really hasn't changed in 15 years at all. I mean I used to put all those domain names back in the '90s on credit cards and hope I paid it off by whatever, selling them or putting content on them, which I eventually did.

So it hasn't really changed anything. If anything I worry more because even though I have a lot of money in the bank I am not really making any income because there is zero interest and pretty much all my income is gone because the \$35,000 I was making, at that time I had 15 people working for me part time or full time. At one time I had up to 50 dedicated servers. Even though bored.com is kind of one server I got all those other sites, I was always doing new sites. So I started off with three or four servers and one of them crashed so every time I'd do something new I'd add a new server so I would have less crashes.

The problem with that is managing multiple servers like that which was another reason I was happy. So the problem is even though I am making money from domains and the sites I run - just the infrastructure of having a company. I have some people working for me I just (Inaudible 13:30) server. Just expenses. So I don't really have money to buy and sell domain names.

Michael: So if we move forward just a few years, just this month in May 2011 you announced on your blog that you sold 4,000 of you 9,000 of your domain names which were mainly adult oriented for \$1,300,000 and that you cleared \$750,000 after your broker commission and taxes. Is that correct?

Eric: Yes, yes that is exactly right.

Michael: Why did you decide to sell those domain names?

Eric: Basically right around the same time that I sold bored.com and the whole domain parking industry changed. One of the reasons too I was eager to sell bored.com was at the time for maybe three or four years before that too, I was making I was making probably \$10-15,000 profit just for parking my name. And now with my 9000 names about half adult and about half non-adult and even though it is costing me \$6,000 an month in domain registration fees which what I've always paid. I was making like \$20,000 a month total from parking. So it would vary from \$10-15,000 on profit.

Unfortunately right around 2008 that all dried up also. So I mean the parking business hasn't gone away but the problem is that for someone like me with so many domains it turned to be negative where I was making less than the

registration fees. And the biggest problem is the adult names in particular went down even more. And some of it is the traffic has gone down for various reasons to parking. But most of it was the whole parking industry has gone down. So the problem was I was spending about \$3,000 a month on the adult names and I was only making back about \$1,500 a month so I was losing \$1,500 a month. I was selling names so it wasn't a huge problem. But the main problem was there was no future for me. I mean those names I don't think they are something that is going to skyrocket in value. And don't I really want to develop adult names.

I mean I don't have anything against adult names, the adult business because I have 4,000 names and at some time I had on some content on some of them many, many, many years ago. But it is really a hard business to be in right now. Even for people who have millions of dollars and are in it, are having trouble. So since I have something else that I can do I just don't want to get involved and try to figure out what to put on 4,000 adult names. So since there really wasn't anything for me to do with them I posted on my blog that I might sell them and kind of just like with bored.com once it kind of entered my head that maybe I could sell them all I thought maybe I'll get some offers.

So I listed them with a broker and I didn't get any offers in the six months and then just a couple of weeks ago I got an offer. And since it was the only offer I ever got on them I basically took it. So I was hoping to get \$2,500,000. And if you had asked me six months ago if I would have sold for \$3,000,000 I would have said no. Even though it sounded like a lot. It sounds like a lot to other people. There are some amazing names. They are all names in the 1990s. I was selling them individually and I kind of got an offer for \$5-10,000 each. So they weren't low quality names but again there are not that many people out there buying (Inaudible 15:37) portfolios, they just want specific names.

It was the same with bored.com, if anyone have read my blog about it, is that is why I read an article about it is that I had been approached by some brokers in the past and never wanted to sell bored.com. And then there was a certain time where I said, 'Well maybe I'll list it with a broker.' And then I was hoping to get \$20,000,000 on one of these crazy deals and that never

happened. And after about a year I ended up getting two different offers – two different people interested. And I figured they were both looking around the same price. So I figured that that would probably be a good price to sell it for. But again two years before that I would have said no I'm never going to sell unless it was a crazy amount of money. So it's interesting. Just kind of what gets into your head. It's kind of people who retire. Kind of once you start looking forward to it. Not that I'm looking to retire but once thing gets into your head about something just overtime what you think might not happen end up happening.

Michael: Yes I completely know what you're coming from. I felt the same thing when I sold my company in 2008. Once you get it in your head that you want to sell something, it's funny how your mentality changes and you know deals that you never would have done before start to look like something you might do.

Eric: Exactly! Now the reason I had interest in selling adult domains was that my portfolio back then was, because I was making zero profit from them whereas there is a lot of good deals right now for non-adult domains and I figured I could put some of that money back into buying non-adult domains since I don't really need to put the cash in the bank and I want to generate more income, I figured if I took that same 1.3 million and bought a bunch of really good non-adult domains and actually put content which is what I can do. Then it would be much better than even if I could have sold all the domains for 2,000,000 a year from now, I probably would make more money buying (Inaudible 17:24) now and developing them.

Michael: Yes, so you've got 5,000 domains remaining in your portfolio?

Eric: Yes, about that.

Michael: Why not sell forty-five-hundred more domains for you know another \$1,000,000 to \$3,000,000, whatever you can get.

Eric: Well I have considered that, and even when I sold bored.com I actually, back then I was hoping I was kind of shopping my name is around both my

non-adult and adult, and I really didn't care whether I sold bored.com or my domains I just wanted to put something in the bank back then.

So I'd much rather really have kept bored.com because at least I knew bored.com well. I earned money from it. Whereas my domains I didn't really have any cash collections so unfortunately I sold bored.com, didn't sell my domains. So lately I've been trying to look and shopping my adult domains and also my portfolio of non-adult domains but again there isn't just that many buyers looking for big portfolios.

Michael: Right.

Eric: Everyone wants them at fire sale price and if I was desperate for money I would do that and the adult ones I did just because I really don't have any way of ever making money from them. But my non-adult ones I sell, right now I'm selling around \$300,000 to \$600,000 dollars a year. Which is just about 50 domains a year.

I mean it's not a great business to just sell-off domains and then eventually I won't have anything left. I mean I really don't want to do that forever. But on the other hand it's silly to sell them all real cheap as a packet, when I can sell them for big prices individually. Just to give you an example, just today I closed on a sale on getdating.com, I sold it for \$7,500. I have no idea why anyone would want that name, it's not a bad name. But the point is if I sold that as a bulk package maybe it would've been \$200 as one of 5,000 domains. It would have been one of the top names someone would have cared about.

Michael: Sure, but \$500,000 a year in revenue. That's good money! You're covering your renewal fees, you're probably taking a nice salary. And yes it's a lot of work to have to negotiate and close the sales and everything. But that's a good salary and if you only sell 50 per year, you're probably gonna run out your lifetime with the domain portfolio that you have.

Eric: Yes that's true! Well just this year, I have been selling about \$200,000 a year and I've included some adult names which now I can't sell anymore. So just this year, I've been focusing more on trying to accept more offers. I

didn't need the money before so that's why I wasn't taking offers, unless I was really high but now I'm at the point where I still haven't really figured out a good way of monetizing 5,000 names. So I figure, again the registration fees are a lot. I'm still paying, I'm making less on the income than, aside from selling them I'm making less on the content/mini-sites I set-up apart from them than I am from the registration fee. So kind of the same as with my adult domains, if I can sell one then I definitely sell them. I mean I sell at average, I sell them for maybe \$2,000 to \$3,000 each and then every once a moment I sell for \$50,000. I had one for like \$80,000 this year.

Again the big problem is some of these names, if I was going to develop them. The ones that are \$80,000 or \$100,000 are the ones that I'd like to develop at some point. I don't have any particular attachment to them but on the other hand, I'm not sure if I want to just keep selling them off over time. I'd much rather at least develop them if I can and then maybe sell them as a site.

Michael: Yes. Ok I want to come back to what you just said how you're focusing on "accepting more offers". But first I want to take a step back. You know this is the point in the interview where I would normally go back in time Eric, and we'd figure out how you got to this point. But I want to do something a little bit different with you today. I'd like to spend the majority of the time looking at your remaining 5,000 domain names that you have in your portfolio, including the domains that you've developed into full websites. And help other domain investors and entrepreneurs figure out how to monetize their domain names using lessons you've learned since you first started developing websites back in 1995.

So your company Impulse Communications generates revenue in four-ways. You do e-commerce sales, domain name sales, advertising, which I assume is generated from developed websites and parking revenue from undeveloped domain names.

Eric: Right.

DomainSherpa.com: The Domain Name Authority

Michael: Ok, so the parking revenue we've discussed, it's way down, it's down for you, it's down for everyone. The whole industry is down. I don't want to focus on that.

Eric: Well I just switched all, I actually am not parking any of my sites anymore, just for the last six-months I converted them all over to mini-sites which I built myself.

Michael: Really?

Eric: The mini-sites are still making exactly the same as parking, which is barely less than the registration fee.

Michael: Boy that's a bummer.

Eric: I have like 45,000 mini-sites out of the 5,000 domains. And they're making right now about between \$1,000 to \$15,000 a month, which is a lot less than the registration fees. Well it's about what it was with parking I had no chance of ever increasing income. At least with the mini-sites there's a chance I'll make more money someday.

Michael: Alright, I'm gonna come back and ask you how you built out 45,000 mini-sites. Basically you've created your own parking company, but I want to come back to that. So parking revenue is way down, we don't want to focus on that. Although you're shifting your focus to selling domain names, it doesn't seem to be like it's really been the focus on the past. You've really been focusing on e-commerce and developing out websites and selling advertising. Is that right?

Eric: Yes, exactly.

Michael: I want to dig into an ecommerce company of yours. I want to dig into a developed website company. So what's a good representative website that you've developed that represents your portfolio for an e-commerce company?

Eric: Well right now I actually only have one e-commerce site, so if you want to dig in it's cheapflowers.com. I started that back in - I think it goes around 2002. Basically to get into the flower business you actually need a, at least back then you need to own a florist. Like you can't just setup an internet florist site and start talking orders.

Michael: Oh, I wondered about that.

Eric: If you do a mail order flowers you can, like when they ship them in boxes. But if you actually, there are times when they can't deliver it through local stores not much like

FTD, or Teleflora or 1-800-flowers does. Then you'd have to own a florist. I actually bought a florist just to start the website. But it's kind of crazy, I mean that is a whole other story. But basically I bought it over the internet. I didn't know anything about flowers. I've never run a store before. So I had one of my employees, basically kind of check on it for me a little bit. I don't know, well he's my web designer. So he visited the store and that was is.

Michael: Wait, was the store in your town?

Eric: No, it was in California. For a couple of years I had an office in California, even though I've never been there. This was kind of before telecommuting and high-speed internet access was more available. I thought I might more gradually work there but once high-speed internet access got everywhere, then I just ended up having to work from home. I had an office for two-years, an office suite. And so my graphics designer went to look at the store for me. I found it on some business poker site. I bought it for - I think it was \$40,000. And even crazier thing is that I ended up buying a second one at the same time because I looked on the public listings, there's one for sale for \$20,000. I basically had in my head that if I have one store and it failed. It wouldn't be good test, and also that there's the economy of the scale of having two stores because they're kind of near each other, this isn't in the same state, so I need to build two stores just to get it out of my system. But I did hope I'd make some money from the stores in addition to the websites. To make long story short, the stores didn't do very well at all. And well there's lots more money to be made running websites I think than stores. I mean it might be the fact that me the owner doesn't know anything

about running the stores or flowers. But aside from that time-wise, I think it was actually easier than I thought. But no matter how much time you put into running a store, there's so much more money to be made and millions of dollars on the web. So I shut down the two stores eventually.

Michael: You did?

Eric: This is after 2 or 3 years of running them. And I've gotten my website launched and the way you sell flowers it's all electronic. So when someone places an order 1-800-flowers or FTD anywhere you go, it just zaps it through an electronic network and it sends it to a local florist based on zip code and some other factors. So my site's just basically just an order taker. But the big headache with flowers is there are tons and tons of problems with every – customer service, there's a lot of customer service issues. So lots of orders have problems, and it has nothing to do with me, it just had to do with the way local florists are.

So compared to a lot of businesses, this is really bad business, but that's why I got into it, because there's a lot of need for a good florist out there. So anyways I've been doing that and it doesn't make a huge profit, I could make a couple of thousand dollars a month out of it. But I spent a lot of years just getting it setup and getting everything working right, there are tons of problems. I used to do the customer service myself which is a nightmare. So I eventually got two full-time people, one for days and one for nights and weekends.

Basically I had twenty e-commerce sites at one point where I was drop shipping, back in '99 and 2000 like getvitamins.com, ordercandy.com, buyfish.com. I was making some money from them, maybe \$500 a month from one, \$2,000 a month from getvitamins.com, a hundred dollars a month from another one. But the customer service is just too much of a nightmare for me, and even just hiring people because it was drop shipping. There is just a lot of problems with places in the shipping. Our inventory issues, storing perishables like fish and candy which would melt in the summer and the fish had to be frozen. Then again there are a lot of people who love to do that kind of stuff. But I guess I realized it wasn't for me. So even though I had the ability, the great means, ability to setup the sites. It's so much easier

for me to take a site like bored.com which is a site where I just make money from other guys. And with bored.com even though I did put a lot effort to it and time, mostly I added new stuff to it. I could've basically let bored.com run itself for a year with no employees or anything. And it wouldn't matter, it would have made the same amount of money. And you can't do that with an e-commerce site you know with the flowers and with the employees.

So I'm happy I did the flowers, I put a lot of extra effort into that with buying the stores. But for other e-commerce sites just personally, I don't think I would ever do another e-commerce site again.

Michael: So if a friend of yours came up to you and said "Eric I have got do an e-commerce, I know a person that will take the orders and fill them for me. All I need to do is build a website and he'll brand the stuff with my brand." your recommendation would be?

Eric: Again I think it's fine for someone else to do it. But even if I didn't have to do anything, the big problem nowadays is that it's so expensive just to get the visitors. Like to advertise flowers in Google, I don't advertise on Google anymore. I have to pay like a \$1.50 per click. So I would say if they're doing something new like you know an invention or something different, their making shirts or something, that's fine. But just to get into a business that's a very like standard thing like books or flowers or whatever. I would say it's almost impossible to compete with the big places nowadays and I even if you do compete it's just not necessarily worth it. So I would say no, it's not worth getting into.

Now something that is downloadable, like I did for many years have an unclaimed money site called findcash.com. I did really well with that over the years. People could see if they have unclaimed money by the government and they pay \$10 to find out how much they are owed and how to collect it, if their name is on the list. Now there is some customer service just dealing with people who are upset or want a refund. But on a daily basis, it's all just electronic, they just type in their credit card and it's instant. So that kind, downloadable e-books and things like that I would say are great.

Michael: Alright! Well that's good advice. Ok! So parking not so much, e-commerce not so much, let's talk about the websites that you've built. How many domain names have fully-functional websites that are more than what you would get at a parking company, let's say.

Eric: There are about 200.

Michael: Two hundred of them. Ok and can you tell us a few, just pick three of them and give us an example of the domain name and what you do on that website.

Eric: I'd say my biggest one right now is dumb.com. One of the things the people that bought bored.com, they're planning to kind of make it into a videogame site? But actually I'd never done much with video games and all at bored.com. I would sometimes add an individual game that I thought is like interesting or licensed at bored.com but I never really had an arcade on bored.com. And one of the big problems with bored.com is it didn't have much of an identity, like everyone loved it and would go there and be happy and use it, but they forget about it and maybe never go again, they go once a month. But a thing about videogames is they're addictive and people share them, and they go back every day. So the new owners plan was mainly to turn it into a video game site, which I thought was a great idea. I never did it just because I was scared to touch anything on bored.com because it's making \$35,000 a month profit and all from organic search engine traffic. And I would add to it, but I really don't want to change the site design which is like from the 1990's, I didn't want to change the theme to be videogames because it would be different search engine words. So I really didn't want to mess with it, because I didn't have any money in the bank at the time. And if I lost that income, I'd be pretty upset about it. Whereas if you're a big company and you're in the other things going, is not a big deal, another site goes up, another site goes down. You take risk like that. So, it is great to the new owner to do it. I didn't.

So, basically they shifted away from everything bored.com used to be, which is kind of like silly funny things to do if you're bored aside from video games. So I made dumb.com kind of like bored.com used to be. It is like a poor man's version of bored.com. It is just that I don't that have much time I

didn't put a lot of effort. But it is still a lot better than most of the other sites out there that have that just because over the years, I have built up a lot of good content that I didn't put on bored.com for one reason or another. So it is not a very amateur site but on the other hand it is nowhere near what bored.com was. So I have been working on building that up just because I know a whole lot about how to do that from bored.com.

Something totally different that I got involved with is I built this site back in 2001 called adoptme.com. Where you can adopt virtual pets like virtual dogs, cats, snakes, horses, turtles, fish and this is before Webkinz came out. And it was all popular with its pets.

Michael: My daughter loved Webkinz.

Eric: The ironic thing is that after doing adoptme.com I was approached by a business friend of mine who wanted to market virtual pets in stores, just like Webkinz (before Webkinz was around) it was like a new idea at the time. And it would go with the website so you bought the pet and they give you a code to enter on the site and you got to play with the pet online and offline. So they actually ended up coming up with that toy with me as like a partner and it would be got at Toys R Us. But it never really took off. And then about two years later Webkinz came along and it took off. So who know why it didn't fly. It wasn't the toy itself that was the problem. I think it was the concept was a little early. A lot of kids didn't really know about the internet and codes and the whole thing. And we didn't have a marketing guide so we didn't know marketing.

So basically I said to these partners I don't want to get involved in manufacturing toys, I don't want to get involved with selling them, I don't want to deal with sales reps, high fidelity insurance or anything like that. They could do that part. They could just basically license my website part of it and I'll integrate it into my website. So it wasn't a bad thing from my point of view. And that basically didn't take off so adoptme.com went back to the way it was which was the adopt free virtual pets. It gets about 5,000 visitors a day. And it has been about the same for 10 years. It never gets more visitors. It never gets less visitors. I don't do any marketing. If you type in virtual pets in Google it is number one. I've never done anything to get that ranking. It is

just having old websites that are popular tend to get like that. Right now I tend to make \$1,600 a month from Ad Sense on the site. And at one point it was up to \$5,000 a month back two or three years ago but I guess the Ad Sense rates have just gone down even though the traffic has stayed the same.

Also MTV had bought neopets.com which was a similar site but \$160,000,000 four or five years ago. So I was hoping that at some point I might make it big and get bought but no one has ever tried to do that unfortunately.

The reason I love adoptme.com is there is no customer service. I don't answer – there is no email address even. I have a link to my corporate site at the bottom but there is no real – I don't answer questions, I don't do anything. I add new stuff to the site sometimes. But for like five years I did absolutely nothing. Those are the ideal types of sites that I like. Even with dumb.com I don't actually do anything on a daily basis. It is all stuff that just runs itself. I do have to deal with down programs and even with (Inaudible 35:11) going on with the servers. But on a daily basis those are the types of sites that I want.

Another example is a site I have – a couple years ago I set up ailments.com which I figured was a pretty good word. It is not a killer domain name or anything but it is just better than having a parking date I figured. So I paid some people in India to write articles for me. There were like 6,000 medical articles. Not really articles but each illness, like if you have tuberculosis how to deal with that. So it is kind of like a WebMD kind of article dock site. And that only makes like a dollar a day. So \$30 a month. So you never know what is going to take off. You can have content and a great name, an old ten year old name and Google is all about unique content now with the (Inaudible 36:00). It hasn't had any effect on ailments.com or on any of my other sites really. I thought maybe it would get higher but I haven't found – I always like having new content but in essence I've found that makes a huge difference in terms of whether it has a lot of new content or a little bit of new content. I mean I have some sites that ranked number one that is like a one page site.

Another site I've been focusing on is watchmovies.com. Which is a name I used to have parked and people kept telling me it could be a great site. I was making about \$5,000 a month from it being parked three and four years ago. So I converted it to a site and it now makes a lot less than it does when it is parked. And part of that is ad rates have gone down. I'm sure if I parked it now it would make not much more than I make now. But I thought that by making a real site out of it I'd make a huge amount of money.

Michael: Yes that would make sense.

Eric: But you can watch like 700 movies online. Old movies I have – I have movie reviews, I have all sorts of movie stuff. It hasn't made much of a difference. The big problem is with watchmovies.com people want to actually watch the new hip movies. Like the kind that you can illegally download for free. Or they want to buy them, or watch them on Netflix. Unfortunately I can't offer them what they want with that domain. Ninety nine percent of the people want what I can't ever offer. So there is not much more that I can do past what I'm doing with that.

Michael: Alright let me dig into some of the stuff that you have talked about here. So adoptme.com has 5,000 people per month and you are making \$1,500 per month.

Eric: Per day.

Michael: Oh 5,000 people per day. You are making \$1,500 per month. Whereas your ailments.com you are only making a dollar per day. Do you know how many people per day you are getting?

Eric: Right now it is like 200 people a day.

Michael: Two hundred people, okay. So it is much less than adoptme.com is.

Eric: Yes, monetization is never really the problem. And all my sites have pretty much use Ad Sense. I used to use with bored.com I used to use Casale Media and Value Click and then Ad Sense became popular later. Kind of the whole thing and I added Ad Sense. But pretty much I could be doing a lot

more and I could probably have someone full time working on just managing ads for me but in general I just go with Ad Sense. I love Ad Sense, it is easy. I find it pays really, really well. I hardly ever find anything that pays more than Ad Sense. So when I make a site like ailments.com or adoptme.com or dum.com I just go with Ad Sense.

Michael: And when you say it pays well and you haven't found anything that pays better. That's an online automated system for payment. You're not talking—

Eric: Yes.

Michael: Okay. I'm sorry go ahead.

Eric: Yes I can do direct ads and I can definitely make more. But again I try to do things as automated as possible and not deal with people and more virtual, so I just - and even with direct ad sales, I mean some people I've talked within bored.com I didn't do ad sales directly but I did use like a boutique agency at one point where there I got my five times at CPM (Inaudible 39:00) rate but the combo is only about 5% of my ad inventory. So over all it didn't really add that much to bored.com. It was more trouble than it was worth managing that because the great thing with Ad Sense are even, it's selling media however, you just have one banner and you never have to touch it. Of course you have to start rotating the banners around based on when an ad campaign ends. It's just forgetting, even not selling, even though I did not physically deal with selling. I'm actually having like a sales rep you have to deal with employees and selling them yourself and take the payments. I got a lot of people do it and I'm not saying I'm against it but I just, right now, it's just not worth it, I mean.

Michael: Sure. So, it makes sense. So you will take a domain name. You will develop content or purchase the content. You put thousands of pages up on the website. You will rely on search engine optimization to drive people to your website and then you'll just put up Google Ad Sense and every month Google deposits in your bank account.

Eric: Yes. Exactly! I mean, everything's different. I mean, like with dumb.com the content isn't just text, it's auto-link. Kind of like with bored.com, all sorts of interesting, not games and the like. You know, you can look up what your phone numbers spells or see how many people have your name.

Michael: Right.

Eric: I have that thing you can chat with God. It's a text chat and not a video chat but a text chat.

Michael: I saw that. Yes!

Eric: And it's adoptme.com. It's actually about started because it's adoptme.com. I actually did something and it is the only virtual pets site that has done it you can chat with your pet and just chatting with a pet, isn't that special maybe? But if you Michael have a pet named Rover and you're chatting with your pet dog Rover, it actually knows it's a dog, it knows your name is Michael and it knows what you said at yesterday's, locked it or you fed it, I might say. So it's actually, it's aware of its own uniqueness whereas everyone else talks, so everyone talks with a different pet that's their own pet. The chat with God, so is more of a generic thing because there's just one God but I just took the same program and also have this like called santabot.com which I was Santa Claus and that's just really long actually over Christmas and even now. I make like \$1000 a month even in the summer on santabot.com.

Michael: Wow.

Eric: Just because any people try to trick it, some people might see if it's real or not. Other people try to get it to say, R rated or stupid things but the whole not industry but the whole like thing people just to play around with it even though people don't care about Santa Claus.

Michael: So did you actually write the program that—

Eric: No. Not really the program or anything. I mean I can edit programs like PHP files and back in the 90's and even now I create a demo page and html. I just use WordPad and I type it by hand. Other than that, I don't really program anything. I just come up with ideas and hire people on the freelance sites. So hire a full time programmer or a server animated works for me. I just basically get it all done. But there's a lot of work. Again, I do everything myself in the sense of running everything. I don't have like assistants or project managers. So every new site I do is just a huge amount of going back and forth in the programmer how to look, how to, I mean just things aren't working right specially using cheap overseas programmers which I love. But it is like three times the work for me than having one, the same person who works for me all the time, who knows what I want.

Michael: Yes. Gotcha! So I went on to Google and I looked to see how many pages were indexed on dumb.com and I think I saw about 43,000 pages. Is that something right?

Eric: Yes.

Michael: Roughly. So how do you create that many pages of content? How do you manage it? Are you doing all of it in WordPad and uploading it to your server or do you use a content management system like Wordpress or something like that?

Eric: Yes. I don't have management systems running my sites, just my blog which is my impulseclub.com blog. I use Wordpress but other than that, no I don't use management systems unfortunately. Even with bored.com, I don't know what they do now. They might but it didn't have a management system. I mean there's kind of two parts on every site, like dumb.com and bored.com were the same way. Bored.com basically had about 200 sub-sites which are just like -just with, dumb.com are about maybe 50 sub-sites which are just like the chat with God, the phone number thing and I have a fortune cookie, that's called dazz fortune cookie, can you dazz work instead of good work and stuff like that. So they're all like totally, and they're not text really, I mean they're mixture of text and trash or text and programming and I don't have a content management system but they all share kind of like the same book, the templates like PHP templates.

So, but I can't use a content management system because there just so many different things involve in programming and all that. So dumb.com is really just like 50 and goes things right now and then all these other thing you mentioned. There are things like; I have a section for videos which I take off at YouTube using imbedded codes. I have a section of jokes where I made a database of like 15,000 jokes that I got from various sources. I have insults database. I have e-cards, virtual greetings and the virtual greetings I actually had it made for my site but there's like, I think there's like probably like a thousand virtual greetings and 15,000 jokes. I have quotes on the site. So all of those are just using databases and PHP's. And the videos, I don't - I don't hand add each video. It's using the YouTube API to get the videos on there. I hand add maybe 25 featured ones but that is using various sites. So even though it sounds like a lot of content, you know, it's just like 50 sub-sites and the last is just automated content. So I don't have—I don't really have the ability to add that. I have to go into database to have it dock on the content. And same with ailments.com. I mean the people wrote on 6,000 ailment pages form me but right now it's just in the big database. So I don't go to each page and make changes.

Michael: Oh okay. See you've got one template page or a couple of template pages,--

Eric: Exactly.

Michael: --and so all on the database and depending on what you're requesting it posted.

Eric: Yes.

Michael: Okay. So you built your own content management system essentially.

Eric: Yes. Exactly! So, but unfortunately again the problem I have with all my sites is that there's just so many little things that go wrong. (Inaudible 45:15) with dumb.com. When I say these 50 sub-sites, just like 50 sites, like the chat with God to be its on site.

One thing I find bored.com? Interesting before I find bored.com, I used to have, when I said I sell those 170 links with it, one of the things I used to do is I use to always think that every time I have an idea for new site, I make a new domain for it and set it up and get it listed in the search engines and think I'd made more money having 170 separate sites than one big site.

But over the years, I found out that wasn't true. First of all it's a real pain is that to manage all 170 sites but just, but even aside from that I rarely find that I got a lot of search engine traffic in that. Again it might just be me because I don't do any SEO work ever or I don't promote sites. So I don't manage the advertising very well. So I'm not a good example for it but for at least personally I found by having one big site like bored.com anything I added to it was a success. Assuming that was like, it's something like people would just generally like. Like you didn't have to be a hit, but whenever I added, would do well in the search engines, it would add extra money. It's kind of like if you have you know, anything Oprah had it does well or if you have a magazine, Cosmopolitan Magazine or whatever magazine, Entrepreneur Magazine, you know, every article doesn't have to be the biggest thing ever it's just - and even with your site, having interview just adds new content to it. It doesn't have to be the most exciting interview ever but every interview is gonna do well, just could you get people on your site looking for interviews.

Michael: Right.

Eric: (Inaudible 46:47) so at the same thing with my sites. But bored.com or dumb.com, I just do that in new kind of silly dumb things all the time to then and I found, I could easily make a great site like I did at santabot.com. Only because I found that Christmas stuff gets past around seasonally a lot and went to a lot. So it seemed to do well with that but like the chat with God, I couldn't - I got the name I think at one point from godchats.com. But I never launched it, just because, again I just found, a lot of that has to do with Google and their search engine rankings and if it's a PR0 site. It won't that much visitors. Whereas with dumb.com, I don't even know what it's at PR5 right now. And bored.com is PR6. So whatever I had to it, it gets the PR6 value.

Michael: Right. So it sort of cross pollinates.

Eric: Yes.

Michael: If you have a hundred thousand people coming to your website, they're probably a good portion are gonna look at the new content that you added, gonna stay a little bit longer, view more pages, maybe tell a friend about something whereas if you put them all as different sites, you lose that cross pollinization.

Eric: Exactly. So one of the things is that even if you have 200 sites, almost all of those sites were basically before 2008, before I sold bored.com and that was right in the middle, when I sold bored.com, I'd moved about half the domains so they were on bored.com instead of the domain itself. I reversed it, and I kept a copy on the domains some times. Anyway, just to see.

Michael: Yes. Alright. So somebody have, a domain investor has \$20,000 to buy—to invest in domains and they're willing to spend 2 years working on developing out content like what you've done on ailments.com or dumb.com. They are go to focus in on the content. Should they buy one website for \$20,000 or should the buy 20 websites for a \$1,000 and focus, you know, content on those? What's your advice?

Eric: Yes, I mean I think it's definitely worth buying one website. The only thing I could say is I talked to so many people all the time, a little Ad Sense sort of business plan or an idea for a site and that's going to be their whole business. And just like with ailments.com where I'm making only a dollar a day. You can't build a whole business on that obviously, so, and—but on my mind bored.com took off. So I found in 15 years of doing this, it's almost impossible, as least for me, to figure out what's gonna take off and make a lot of money and what's not.

You know I bought domains back in the 90's, aren't buying them, I think \$35 each back then but I had no idea I'd be selling them for huge amounts of money at any point. I mean there's a bit gamble. So, I just, especially nowadays I found and one of the reasons I'm successful with the websites is I

have a lot of old sites and old domains and they do well, but in almost 5 years, I've found most of the new stuff I've started hasn't done well at all.

Michael: So you would still say that buy one domain for \$20,000 rather than—

Eric: Yes.

Michael: Like 3 for \$7,000 even though you know that some of the market worked out and you just can't predict?

Eric: I would say if you are going to focus your whole business entirely to living off of it then I would say buy three domains. But if you have the flexibility to buy one for 20 I would say buy one for 20. Just because having a really good domain (or maybe you are buying a website) I would say even buy a developed site that has some PR value or links to it and just try and renovate it and change it. But at least there is more chance there is going to be a success with a big site.

Michael: Alright. I've got a million more questions for you Eric and I want to try and keep the interview to an hour so I am trying to be cognizant of that. Let me go back to a couple of questions that I wrote down at the beginning of the interview. How are you focusing over the past year to accept more offers for the domains that you own? You have said that you have moved from – you were making about \$200,000 selling domain names in the past. Now you are making \$5-600,000 or more in there because you are selling more. You are putting more emphasis. How are you doing that?

Eric: I'm really not doing more work to sell them. I'm just negotiating more with the offers. I know one of the things that you talked about before domain leasing. And I am not big in the whole leasing thing but what I do do is a lot of times people email me and offer and it is too low and – they will offer me \$1,000 and I will say my asking price is \$10,000. And they will say they wish they could but they are a college student and they don't have the money blah, blah, blah. They have a partner and only have a budget of \$1,000. So I offer them to lease it with option to buy. So if it is a \$10,000 domain I might lease it to them for \$200 down and with the option in a year they can buy it for the

\$9,800 more, which is a total of \$10,000. And that way it helps me if they spend all the work putting up the site and if after a year they don't end up buying it I get all the search engine value. I get all the marketing they have done and I get the domain back. And since I have so many names it doesn't hurt me. I have done this with maybe 15 names over the last two years. So it is not eating into my domain names inventory yet.

Michael: So you don't even charge them a recurring monthly lease amount. You are saying \$200 up front and in a year you pay me the rest or you walk away?

Eric: I mean every name is different. If it is a really good name it might be \$1,000 for the year and \$9,000 to buy it at the year or maybe two years or something like that. But yes the point is if it is a name that I don't care about I will do it just to get them – it's not even just to make the \$200 it is that they might buy it for \$10,000 whereas if I have to sell it to someone else I might only get \$3,000 for it. Other than that all I have been doing is I list domains on sedo.com, most of them I have on afternic.com but I've always done that. So it is more of just a matter of trying to take offers. In the past I just wanted to get really high prices now I am just trying to get whatever I think more of the market price is. And the market price is a lot lower I'd say in the last couple of years. I'm just taking whatever I think is a fair price.

I don't like to sell to other domainers to much because if some other domainers want my domains for lower prices then I am probably missing something. But if it is to somebody starting a business and they need that domain I figure it is unlikely I'm going to get another buyer that is better than that. So I try to just work something out with them.

Michael: So at the end of the year if they are not interested, you still have the domain, so you just go and sell it. Now what happens in the middle of the year when you get an offer for \$20,000 on that \$10,000 domain? What do you do? Are you locked in?

Eric: So far that hasn't happened but if it did I would – I would tell the person who is leasing it from me and let them make the profit on it probably.

Michael: So then you probably have a standard lease agreement that you've used for your 15 or so transactions.

Eric: I modified a domain name sales agreement that I have. I don't even have a lawyer. And in my 15 years of doing business I've never really needed one. I don't even like contracts too much, but I mostly do the contracts because other people want a contract I've found. So I would be happy to do them with just an email confirming it. I'm not much for technicalities and all that.

Michael: And I saw on Domain Sherpa this morning that you posted a comment that you have a bunch of names that you have leased with little money down. I appreciated the comment. I'm just reading the comment here. So your goal is not to lease a domain just as a way to make monthly income from it. You do it as a way to get extra domain name sales.

Eric: There are a bunch of people who are into leasing domain names. I actually tried putting my names in some of those companies for awhile and I have hardly gotten any money at all from that. And personally I don't want to lease out a name because I would rather just sell it or develop it myself. So it is just a sales tool.

Michael: It is a great tactic. You get the price that you want and they get to try it out for a year and they have invested time and money and resources so hopefully you will get the sale. Has it turned into more sales have you found?

Eric: Yes definitely. I've sold like 10 or 15 names that way.

Michael: Excellent and were they the sale price of \$10,000?

Eric: That is not the real reason that I have been selling more names. It is more just taking more offers. I think the market has picked up a little over the last year or two. It's not the prices that are higher it is more that people are starting businesses and they need a specific name for something.

Michael: So another one of the comments that I wrote down was that you moved all 4,500 parked domains and you've built mini sites out of them. How do you create your own parking company with 4,500 websites?

Eric: I basically, I just figured anything was better than the parking, and again not because there was little money but because for 10 years I have had these things parked in there with zero possibility of getting listed in the search engines. Once again the parking it just never does well.

Michael: Technically how do you do it? You have one server, you have a script that says okay you point to all your domain names at the one server and then what do you do?

Eric: Obviously, especially with Google now you can't use copy content. I mean syndicated content for everything. I had actually tried this about three or four years ago where I just used syndicated content like news stories, I had blog stories, I had videos and You Tube. I used 1,500 of my names as an experiment that way. And after six months it wasn't making anything really so I shut it down. So I figured I'd try it again now and this time I put more effort into it and I actually paid for articles. I bought 10,000 articles over a three month period from Maltese article writers in bulk with PPOs, because with 5,000 names I pretty much have every topic covered. So you really don't have to pay extra. You pay someone to custom write an article about a certain ailment or whatever. And they have to custom write it and it costs more. I pretty much took any article from anyone because it would match. It doesn't have to exactly match my domain but at least roughly enough for me to stick it on there.

And then I just set up a system where I can – I had to hand-match the articles to the domains but that was about it. So that basically belongs to them I just – I over time have been doing that and now I finally have them all set up.

Michael: So if I want to go look at one of your parks, one of your personally parked domain names, what domain name might I look up?

Eric: I don't know. A very standard one would be getvehicles.com, which is not a great name. It is not even a great search engine name. Another one

would be financing.net. That would be a catchy one. But they all look exactly the same. Right now it is very kind of rough. They look horrible. I actually took Ad Sense off of them because I was a little worried that Ad Sense might ban me because they don't look that good and the articles are pretty bad. So I am working on making them better. I put Ad sense on them for like a month just to test it and see how much I made. I was making about \$1,500 a month from all of them which it was when it was getting parked.

Michael: So I noticed that on one of your websites you actually had in the footer in very small writing "If this content infringes on your copy write please let me know" or something to that effect. Have you have problems with some of those 10,000 articles that you purchased?

Eric: Yes I was kind of new to the whole article business but, I mean there is a whole industry of article writers and forums that you can go to. And there is a lot of scammy stuff out there where they will sell you articles that they had already sold to someone else. Or they will sell you articles where they didn't pay – I just had someone recently contact me. The articles were original but they had never got paid so they threatened to sue me unless I paid them the \$500 that they were owed. And I have given them \$250 because that is like what I paid for them. So I was paying double - \$250 to them and \$250 for the other person. It is not a big deal in the scope of things. There is a lot of that kind of thing out there so there is no way for me to know. People say their articles are original is because they really are. I try to look for people who perceive that. I use copyscape.com which does check all the articles. But the problem is I would be getting all these articles at a certain point in time and the same writer could resell them to someone else. Or they resold them to someone else who hadn't posted them yet. So I really could go check them now again but really then the problem is did I put them up first or did the other person put them up first.

Michael: How much do you have to pay for an article, or 10,000 articles if you are buying them in bulk.

Eric: Normally I mean a cheap kind of badly written article you pay like \$2 or \$3 each for them. A really good article maybe \$5. I had bought a lot of them for like \$1 each just to get bulk content. And like I said because I didn't

need them customized either so I take any topics. I buy about 500 at a time, which is pretty unusual because most people out there are not going to buy 1,000 articles at a time. So I got some pretty good deals.

Michael: How do they give you even 500 articles? Do they give it to you in a data base? Or do they give it to you in individual word articles?

Eric: (Inaudible 1:00) they are like text files so I had to have my programmer import them. And it's not that easy. And I have to physically match it to a domain because unfortunately I didn't really have a list of what domain needed what articles. I was just buying articles all over the place. So mainly I did what I wanted was I switched in six months from parking to having mini sites. The problem is the mini sites were not that good so the next step is to figure out how to make them good which is what I am working on. So I am away from the parking industry.

Michael: So you went from parking where you are getting no search engine optimization benefits, you are not going to be listed in search engines because Google knows you are parking it and it has no value in content. So you are relying only in type in traffic and you move to your personal parking platform where you still get the type in traffic because people are typing it whether or not they are parked or not even resolving. And you are hoping to take advantage of search engine optimization. You are hoping that when Google sees these articles on say financing.net, they are going to say ah this is a financing website some of these article titles and content match this query so I am going to serve it up and get more traffic.

Eric: The problem is, it's been a couple months at least, some maybe four or five months and I have almost have no extra search engine traffic. I mean you can find some of the sites in the search engine so I know they are listed. But I don't know what it is. There are a lot of things. Google checks to see the fact that I have them all on the same ip address I know is bad. And I think Google kind of analyzes the stuff and track down all the owners listed for all of them. The same "who is" and Google penalizes for that. The fact that they are always the same template, the same look, I think Google detects that. The fact that the bad quality articles, Google kind of detects the spelling (there is not that many spelling) they can detect somehow that they are not the highest

quality articles. The fact that I don't have any links to the sites they normally link into me rather. So I'm not sure how I'm going to get to the next hurdle of getting to the point where I search engine traffic. At least I still have a shot now.

So the next level is I'm trying to take some of the really better domains and make real sites and not sites like dumb.com or adoptme.com where there are like tons of interesting content. But more like ailments.com where it is at least a real, not a mini site, but it is a real site but it is like text mostly. Or whatever I think someone would want on a site. Like, I bought pastries.com recently without having any idea what to put up there. But I think that deserves more than a mini site just because I think it is a great domain name. And I don't want to sell pastries. Even if I want it to be an ecommerce business, selling pastries online is a tough business unless you are a bakery.

Michael: Let me ask you this Eric. A lot of people hid their finances. They don't want to talk about it at work. They don't want other people knowing how much they make. I remember when I got out of college I went to work at GE and everybody else was at the same level as me. We were all engineers right out of college. I think everybody in my entire hiring class was probably making \$30,000 - \$40,000 but nobody wanted to talk about their finances because if you made \$1,000 more than me a year I would be jealous and you know it would lead to a lot of problems.

Now I noticed that you on your website have your finances listed from 1997 to 2008. You used to make \$115,000 in revenue. You actually list your earnings there. In 2008 you made \$1,900,000 with impulsecorp.com of all your websites and domain name sales and everything. Why are you so open with your finances?

Eric: First of all I think if someone wanted to look me up and they saw that I own all these domain names no one is going to think I'm poor from it with all these websites. So there is no big secret. And again it is not like I had \$100,000,000 either. So it is somewhere in-between. But in terms of like my blog I put a lot of information there for whoever ever asks me. People get a lot of done during the day. It is not just the income so much. I totally understand that are regular gods think about that. But just in terms of legal

issues is like about how much people pay for domain names or sold them for because it doesn't mean I made a profit. People don't like (Inaudible 01:04:31) and people have lawyers. I don't have a lawyer and I don't care much about, I don't want to get sued but I don't care too much about whether – I mean it is just me and my company I am not going to get in trouble for anything.

So I think that is really what it comes down to it. When you are a one person company you can do anything you want. And I think just in terms of being self employed people don't have an idea of how much things cost or how much companies make or how much a domain name sells for. So I just like to give examples figuring it helps other people just to see how we all as a company functions. My company is a lot different than most companies because I'm very virtual. So it is not a great example for people but you are never going to get real numbers out of most bigger companies either.

Michael: Yes that is true. So why have you not updated your finances on your website since 2008.

Eric: Trying to think. I don't even know when the last number I put on there.

Michael: It was 2008 and I thought that it just was because the parking was falling off or maybe you had...

(Cross talking 01:05:33)

Eric: I don't know - what's the last date – I just filed 2010 taxes like just two months ago. So if I didn't put those up there I'll add those. I just hadn't thought of it probably because what happened was my company website used to be just a plain website kind of like what you saw with the financials. I turned it into a blog so I actually don't really concentrate too much on the other pages on there anymore. I haven't changed any of those other pages other than the financials in a long time so I probably just need to update it.

Michael: Prior to the interview we talked about some of the domain names that you recently purchased. Can you tell us what those are? Or a few examples?

Eric: I bought pastries.com for \$12,500 at an auction. I'm not looking for any name in particular. I don't have any plans for pastries.com. I don't care about pastries I just thought it was a pretty...

Michael: So why would you buy it?

Eric: I just thought that at that price I couldn't pass it up.

Michael: So it was good value. Okay.

Eric: So I'm looking for good deals like that. Now that I have sold my adult names in the last week or so I have more incentive to buy other names because I want to try and first if I buy a domain this year without money then I don't have to pay taxes on it because if I spend the money that I just got it cancels it out. So that is one incentive for this year. Also I just wanted – the whole goal is instead of being negative with those adult names every month trying to have something positive. So if I buy new domain names and build sites on them then at least hopefully I'll get some income off of them. And the bigger problem is that I already have 5,000 other names I'm not doing that great with so I'm not sure why if I buy 10 great names that I am going to do really good with those. But I hope that I can figure it out.

So other names that I just bought, I bought just today I closed on humidifiers.com. I bought that for \$50,000. I bought physical.com for \$42,500. I am negotiating on other bigger names. I'd kind of like to have another name like bored.com. Not entertainment necessarily just a big name to make a lot of money, which is what everyone wants. But instead of racking \$200,000,000, even a name like pastries.com I'm never going to make a lot of money from that. I mean if I made \$50 a month or even \$25 a month I'd be happy on that. So I'd like a name that is making \$5,000 or 10,000 a month. So I'm looking at some bigger names.

When I say negotiating I'm not just saying I'm going to buy them but at this point I'm just getting prices on televisions.com is for sale. I'm close to a price on adventure.com. And adventure.com, well I don't want to say what they are asking but I'm trying to buy it for \$200,000. And the reason I like

that name is because it actually could be more like the current bored.com is all about adventure games. Pretty much any game, video game is an adventure. That pretty much covers all arcade games but there is a specific category called adventure games. So I'd focus on those and also have a lot of video games and I just think it is a nice catchy name for an internet game site. And I think it is hard to have a video game site because there is so many of them. So if you have a killer domain name like that that might help. Just like bored.com is doing with their killer name. The other reason that I like it is that if that totally bombs adventure travel industry ensued. So if I totally switch it and make it into an adventure travel site, (which I'm not into personally), but it is just a very high paying name in Google that I can do a lot with that.

And another reason that I like it is that it is a Google PR5 site right now because they have had the site 17 years. And they have never really done anything with it but for some reason it is Google PR5. So whatever I put on it will hopefully get ranked pretty high for games. So I still don't know what I'm doing. I don't know if I'll end up buying it. On televisions.com I have no idea what I'd do with it. They have a pretty good site on it now but they are looking to liquidate it for whatever reason at a cheap price. So I figure again it's a killer name. I can make a big business out of it.

Michael: Well don't get into drop shipping Eric.

Eric: No, no, no, we will definitely not be selling televisions. I absolutely will not do that. But it is a good key word in Google in terms of TVs, in selling TVs is big business.

Michael: So on the adventure.com if you were to actually close that transaction and if you were to purchase it for around \$200,000 would that be the largest purchase, single purchase you have made?

Eric: Definitely. Up until three weeks ago the largest domain I ever bought, that I can think of, was probably like \$5,000. So I hardly ever buy domains. I bought maybe five domains in the last seven years.

Michael: And when you think about purchasing adventure.com for \$200,000 do you actually think through an entire business model where I'm going to be able to develop this content. I'm going to try and bring this many customers in. I'm going to be able to monetize them with this rate. And look at a return on your investment? Or are you really looking at it from I need to use (for a tax benefit) I need to use some funds and this would be a good use for these funds.

Eric: Well I am definitely not planning it out financially with a business plan or anything like that. Even in my head. When I was selling my adult names I was actually thinking I was going to put the money in the bank and bonds and CDs or whatever, but I kept getting all these – lately I've been seeing all these great domain deals and now that I have the money in the bank it is hard to pass them up. So that wasn't really necessarily my plan but I guess I'm looking to kind of spend it.

Part of it has to do too, I mean you probably understand this, I know Morgan Lynn does this what you do with your business in general. Like when I had bored.com I had up to 15 people working for me, 50 servers, all that, so it was like a thriving business. So when I sold it - I still do a lot of business and obviously with 5000 domains and 200 sites, I have got 10 people working for me and never run out of things to do. Every day I think of new ideas and new businesses and new sites so I don't need more stuff to do but on the other hand just from a practical point of view it would help if I had more the same people doing – like a staff of people. So if I had someone running adventure.com for me or if I get televisions.com. Just like with bored.com it would make my costs less for what I do. If I have someone write some of my articles for me. It's just that even though I have a lot I'm not really doing that much other than keeping everything running and taking offers on domain names. So it is not that I need personally something to do but as a business it would make me much more of a real business if I had at least one big killer domain name (or even two) at that point.

Michael: Right, well I want to be conscious of your time Eric. I'm really appreciative of how open you have been in this interview. So I want to wrap it up with one last question. Since you are focusing on purchasing domain names that you want to develop out, to monetize and you have developed so

many websites over the years what is the biggest lesson that you have learned from developing out these websites that are now part of your business that you could share with somebody else so you could help shorten their learning curve?

Eric: Well, personally my way of doing it is – aside from the fact that it is hard to predict what is going to be a success or not just at least get it done. I see people all the time who can spend a year with a business plan or just thinking about getting it done. And the crazy thing is I'll have an idea for a site and have it up and running in less than 24 hours. And it is not because I have some magical fast way of doing it either. I mean for \$50 you can pay someone to do your site or you can go to one of these free template things. Just get a domain name from Go Daddy for \$9 and for free just stick something up there and get it listed in the search engines at least to start with. I think people spend way too much time planning things out and doing it offline first (doing the version offline) I just get it up there. Get it up and running and change it later.

Big companies don't necessarily do it that way but I think part of the reason to get it up there is because it is very hard to predict what is going to happen and if you are going to get any sales. You never know the first day you stick something up there, if you are selling something you might get a bunch of sales the first day. Even though it is a very amateur site and they are not ready to handle it. It is much better just to try it. And do it cheaply. Again you could spend \$100,000 developing a site. People would tell me to spend \$100,000 on adventure.com if I end up buying it. But I'm just going to stick some \$50 arcade site up there just to start with just for the first week and see what happens. And obviously I'd try and do more later but I'd rather just have something up there than nothing up there. Or it is a waste of time planning it. I'd rather see what kind of ad revenue it gets and just how many visitors it gets. I won't know any of that unless I do something up there.

Michael: Yes there is no game plan or no book you can go and open up and figure out what the answer is going to be. You have just got to try it.

Eric: Yes it is crazy now. People just don't understand how easy it is. Just to set up a simple site. I mean even an arcade site just as an example for \$50

you can buy a premade arcade made program. A script that comes with 3,000 games built in. The whole thing runs itself and you still it up there on your domain.

Like, I originally added an arcade to watchmovies.com. And I did that, I just spent \$50 on the arcade. And again I'm not saying that is a great way to do it but for all sorts of things, there are all sorts of programs people don't know about. Instead of reinventing the wheel you just get something done. Or just have a cheap program overseas do the whole thing in a week probably where you are spending months planning.

Michael: Alright so Eric your website and blog which I fully recommend that everybody should read and follow you is at impulsecorp.com. I-M-P-U-L-S-E-C-O-R-P.com. Is that correct?

Eric: Yes that is correct.

Michael: And are you on Twitter, Eric?

Eric: Only in the sense that I have my blog set up to automatically post my blog postings to Twitter.

Michael: Oh great so if somebody wants to follow you and they are on Twitter...?

Eric: So it's Twitter.com/borgos but other than that I don't personally post to Twitter, no.

Michael: Okay but if somebody wants to follow you via Twitter they can follow you at Borgos and if somebody has a question can they reach out to you and can they ask you where you find your arcade games and things like that?

Eric: Yes at impulsecorp.com it has my contact info. It's eric@impulsecorp.com. E-R-I-C@impulsecorp.com. But a lot of that stuff I talk about in the blog. If people post it to the blog then it creates a discussion and I get some feedback. Just for myself, I love posting things. Unfortunately

you are not real time but even like with adventure.com or television.com it's not like I have a team of experts telling me what to do. I spend like 10 minutes looking at some domain names or what a domain might be worth. If I want stats I run it by one or two people who are like either brokers but I really don't know – it's not that I don't know what I'm doing but that is just the way I kind of look at things. So I always appreciate if I post something sometimes on a blog or I am talking to someone I like getting feedback about things. Just sometimes I will be talking to someone today about a domain and I'll mention by the way I'm looking to buy adventure.com what do you think it is worth? And if they tell me \$20,000 then I will maybe rethink that it is not worth \$200,000.

So people think, like you said before, there are all sorts of business plans and a monetization plan and a staff of people doing things. A lot of people are just like me. They don't really know what they are doing in terms of planning things, they just do it. It doesn't always work out but...the good thing is my costs are low for all these things because I don't have a huge staff and office space and everything is virtual, so it doesn't really cost me anything to create a new site. So it might have cost me something to get a name but if I bought a \$200,000 name I'm not spending \$200,000 because I know if it sells I can sell it for \$150,000 or maybe I'll sell it for \$300,000. So I make money even if I fail on the site so to me it is just kind of passing time that is a chance of having a hit site for a killer domain if I can buy so many good names. And worse case, assuming domain prices don't crash, I can always just sell the domain like this other person while I get my money back.

Michael: Yes, great point. Eric you have been fantastically open. I'm very appreciative for what you have done here today. Thank you so much for all you advise and your lessons learned and thank you for doing today's interview.

Eric: Thank you very much. Bye.

Michael: Thank you all for watching.

Watch the full video at:

<http://www.domainsherpa.com/eric-borgos-impulsecorp-interview>