

Interview with Mike Mann, Aux.com and MikeMann.com

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Here's your program.

Michael: Hey everyone, my name is Michael Cyger. I'm the publisher of DomainSherpa.com, the Domain Name Authority and the place where you can learn about the domain name industry directly from experts or Sherpas themselves.

I live in Seattle where there is a vibrant startup community. In addition to the startups we have established high techs and .com companies like Microsoft, Amazon, F5 Networks and Big Fish Games. And every conference I go to I meet a handful of engineers from companies like these who have a brilliant idea for their own startup. The problem that I most often see is that these entrepreneurs are great with technology stats and proof of concepts but could use help with branding and marketing. The most critical aspect, in my opinion, is getting a killer domain name. A company's domain name is the core of a business' identity along with their name and telephone number. But how do startup entrepreneurs, who typically have very little cash, get great domain names?

Joining me today to answer this question is Mike Mann. Serial entrepreneur who has owned some of the finest premium domain names available and has built a number of for-profit and not-for-profit organizations on top of them including phone.com, seo.com, grassroots.org and many others that we will learn about today. And Mike is here to tell entrepreneurs how they can assess premium domain names for their own startups. Mike, welcome to the show.

Mike: Thanks a lot. I appreciate it.

Michael: You have a ton of domain names, Mike. From my research currently over 160,000 domain names one of which is aux.com, as is auxiliary. Can you describe the purpose of aux.com?

Mike: Sure, among those 160,000 domain names we have about one tenth of one percent we use for our own purposes including starting companies, blogs or whatever. So the point is we use maybe a couple dozen currently for different companies blogs etc., and we have several hundred on tap where we can potentially use in the near future. They are on the waiting list. So aux.com is one of them we peeled off because it is such a great name. Easy to remember, and there is a lot of good simplistic information on there for domainers, internet people.

Michael: So if somebody goes to aux.com what will they find there?

Mike: What they will find is several hundred of our favorite domains and they are grouped into different categories for different purposes. Some are non-profit domains, some of them are ecommerce domains. Some are .co from the country of Columbia, some are ones that we want to build now and they fit into various categories that are labeled in aux.com. Some of them have little blurbs next to them that sort of tell a very brief introduction as to what we may want to do to that domain. But actually they are all very highly contextual and for the most part it is almost self-explanatory what you could do on them. On the other hand many domains have multiple options that would still be within context. So in this case we look for entrepreneurs. Look for the businesses they are in. The names they are passionate about, what they want to do. We are just trying to go through this weeding out process of finding the best web developers, the best SEO experts, the best graphic designers to help us in this pursuit.

Michael: So any entrepreneur, if they are an affiliate marketer, if they are search engine optimization professional, if they are a tech entrepreneur, if they have an idea they go to your website aux.com they can look through, they can see a bunch of domain names they can say “Ah that is a great domain name that matches what I want to do. That is a killer domain name. I want to contact Mike Mann and ask him how we can partner together”.

Mike: Yes, sir. I am very accessible and my team in general is very accessible. You can find me through links on my website, through Facebook, me email, etc. So anybody can get to me but the issue is they don't really have a credible plan, or good juice, or good history to get the thing done. You know the vast majority of people aren't going to get through the system or else we just have hundreds of cluttered up sites. So we are really just looking for the very best people. We think we have a good process for finding the best people. If you look around my companies and the leaders of my companies and charities you will find the best people already so we are trying to do more of the same essentially.

Michael: Great and for somebody who doesn't have an idea but they are a great entrepreneur or technical guy they can go to aux.com they can look and see that you have domains like happybirthday.com available, wi.fi available, lure.com as in fish lure, homeless.org for someone who wants to start a not-

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for-profit to help homeless people, philanthropy.com. A lot of great ultra premium domain names available.

Mike: That is really the point. So we do a diligent job to try to acquire the very best domains. And again 99.99% are for sale at DomainMarket.com and the very best of the best we try to peel them off and create corporations, websites, charities and whatever we can do. We have had a lot of success with this but there are 160,000 domains at DomainMarket.com and maybe we have 160 of them on tap essentially. And of those maybe we will be able to build 16 in the next few years. So it is a very tiny minority but that is the most interesting stuff happening, just buying and selling the names themselves without anything on top of it isn't so interesting.

Michael: So Domain Market the location that you referenced, DomainMarket.com is actually your location for selling the domain names (160,000 domain names) that you own that are available.

Mike: Yes, sir. I think you probably know I started with buydomains.com a long time ago. And then we sold it. Eventually my non-compete agreement ran out and then we started DomainMarket.com.

Michael: As Domain Market I can see that for example happybirthday.com is listed for \$1,000,000. So an entrepreneur can actually send you a business plan of what they would like to do with happybirthday.com and if they have the chops and they have the expertise and they have the proven background you are willing to put in a domain name asset, they can put in their hard work and you can make a viable business out of it.

Mike: Right I'd prefer to build the domain names and we really are looking currently for an automated systems to deliver landing pages that look like little websites, blogs, little commerce engines and the like - social portals and whatever else. We are going to test everything. We have tons of traffic to our sites and our domain names so we have an opportunity to test innumerable iterations of websites and landing pages. So we prefer to build them and create something of value but then again that is just a physical impossibility there is 160,000 domains. There is only a small minority that will ever get the bills.

Michael: So, Mike, you mentioned briefly and I am going to go into a little bit of your history, you mentioned you sold and BuyDomains for a lot of money in the past and why are you looking for entrepreneur partners rather than just hiring say an entrepreneur in residence like an incubator might do and then develop the businesses yourself? It seems like you have the resources to do so.

Mike: Well I didn't say I make a ton of money selling and buying domains. I just said I sold them. We think we are kind of agnostic and we want to look at the entrepreneurs and what they bring to the table, but in our case we own a ton of really cool companies that on day one juice up the entrepreneurs so we are extraordinarily efficient in starting and building new corporations. Just in the last six months we have started literally six new companies and they had a lot of head start because they start with a fantastic domain name. They usually start with some staff members that we have already worked with before, potentially from one of our other companies, or people we know from the industry. And then we have clients on day one for these companies.

So for example we started prmarketing.com. We started pureppc.com. Those were the businesses that we immediately had tons of work for because all of our other businesses have a lot of P.P.C. work that needs to be done. And the customers of our other businesses have a lot of P.P.C. work that needs to be done. So that is just getting started before we even go to the outside world. The same case with prmarketing.com. We have lots of internal needs for P.R. marketing services and we own the domain so we can juice up this company on day one. And again there are great people there that we already know and we have already worked with. And they go out into the broader community and bring in new clients.

We just have this very efficient method of starting new businesses so when the entrepreneurs come to the table they need to be good in their specific industry. They need to be good at leadership, hiring people, training people, doing deals. As far as accounting, we own an accounting company essentially or literally. We own an HR company. We own an SEO company, a P.P.C. company, a phone company, a P.R. marketing company. We are trying to start a bunch of other companies. Our H.R. company is called

brightfuture.com which lists the current job openings with approximately 20 executive positions that are currently open.

All 20 of those are names that came from aux.com. They came from Domain Market and then went to aux.com. And then they went from aux.com to having a business model that moved over to brightfuture.com. And that says we need a CEO for advertising.co for example, one of our domains. So again that is how it filters through the whole system. And with those companies at brightfuture.com if we find great entrepreneurs to be the president of this company - like I just mentioned we have all this additional juice to go out of the game much more so than almost any competitor would have. It gives us huge strategic advantage to start new companies. So we are going to keep doing it.

Michael: Definitely. I've got a ton more questions for you about aux.com, and how you start up companies, how you juice them right from the beginning, but first I want to back up and share with the Domain Sherpa audience a little bit about how you got to this point. You were one of the first people on the web, Mike. You founded a company in 1994 called Internet Interstate. Can you describe what that business was?

Mike: I wasn't one of the first people. The web barely existed – the web was a text web. It was text based. So we were all in it together when Marc Andreessen and Surf and whoever else invented Mosaic, which was kind of the first graphical browser which I would call that the web. Before that there was this thing called Links which was a bunch of text hyper-links where you'd use your arrows and your enter button to get around. I wasn't one of the first ones but I was an early adopter for sure. I was not an early adopter to technology at all. I was an early adopter for trying to make money on it. I was not a late adopter on trying to make money on it. I went to technology is cool but I was somewhat indifferent to it, just trying to get paid eventually. So I hire the smart techy guys who are really into the gadgets and the codes. I don't do any of that myself.

Michael: And what was Internet Interstates back at that time?

Mike: It was a small ISP. The idea was AOL already existed and they already had a few million subscribers and it was only 15 miles away from us in the D.C. area. So these guys had a huge hit. It was a graphical inter-phase. So right off the bat I realized it was a closed system. It was closed. It wasn't an internet system. They didn't even have an internet gateway. They had private email and you couldn't even get to the web. You could only get to their private web. So the whole thing made no sense. Then there was a company in New York that built a graphical user interface called Pipeline. Way the heck back. The guy was a science fiction writer who started the company Pipeline. The first graphical user interface open source web experience, where you were going on the open World Wide Web without having to go through a text browser, without having to go through AOL.

So for me I always wanted to be a licensee essentially of Pipeline. But then the Pipeline actually became obsolete relatively fast because the industry moved so quickly. So we just became a generic open source, or whatever you call it, ISP, internet service provider. So we connected businesses with these wires. It was insanity. It was just strings of wires everywhere – in everybody's closets because there were all these little tiny modems and they all have a bunch of wires. Really old school stuff, it was crazy. So in any case we just built our way through that and then they invented the graphical web for everybody. So we started building web pages and sites connecting businesses with ISPN lines, T1 lines, 28.8 modems, giving them training.

Then we were in the web business building website web pages. Then the company called Verio came along right when all the internet markets - when all markets were taking off. And this company Verio started eating up all the small internet companies, like our own. And then Verio went public. Perfect timing. They made a fortune. And then they sold to NTT of Japan (I think one of the world largest telephone company's) the largest company in the world, for an enormous amount of money. And like the next week the stock market crashed. So the buyer ate sh*t.

Michael: And do you remember what the revenue of Internet Interstate, your company was when you sold to Verio?

Mike: Well let's see. I can probably go backwards and see how much money we got and what the multiple was. Probably about like \$1,000,000 a year or something or maybe a little more.

Michael: Is that public information? What the sale price of your company was?

Mike: Of my company? It was just a couple million bucks, I don't remember exactly.

Michael: So did you buy Domain Names as part of that Internet Interstate business where you were getting people onto the internet and creating web pages for them? Is that where you first became exposed to domain names and became acquiring them?

Mike: Yes I guess that was the point. We started building websites for our customers and if they didn't have a domain already we had to get them a domain. So they had very little value. It was just a big pain in the a*s to fill out the forms and get them from Network Solutions. They were actually free at first. Then they were \$50 a year for two years. And then they were \$35 a year for two years. You still had to do all this paperwork and you were only allowed to have one domain per physical address. The whole thing was very onerous and people at Network Solutions you know were like – really didn't have it together to say the least. And they still don't as far as I can tell.

So in any event we had all these domains and I was trying to get ahead of my clients. Well hey you are a lobbyist, you have a lobbyist domain so I would buy government.net, I bought resume.net in anticipation that an employment agency would want to build a site with us. So I started getting ahead of the clients buying contextual names for cheap. But it wasn't really a business. It was just the little things to get my clients online basically.

So then after we sold the company I probably had a dozen names that I owned personally which included resume.net was one of them – oh I know menus.com was the best one that I owned. And we had actually built a site for menus that if I was smart I would still own them because it would still be the biggest thing ever by now fifteen years later. So I had menus.com. That

domain is probably worth \$500,000 to \$1,000,000 right now. So somebody called me and offered me \$25,000 and I thought “Man this is the best thing ever. It costs me \$35 a year and he is offering me \$25,000. I am in the money”. So I sold it to him. Actually before I sold it somebody offered me \$50,000 but I took the \$25,000 anyway without a contract. So I took the \$25,000 and that was the end of it. And then I said I just want to be in the domain business.

Michael: So in 1997 you sold Internet Interstate to Verio and then in 1998 you founded BuyDomains.com. Is that correct?

Mike: Yes.

Michael: BuyDomains.com, the sole purpose of BuyDomains was for you to buy domains at a reasonable price like you did with menus.com and then sell them for 10,100,1000 times multiple? Is that the idea?

Mike: Well to sell them for whatever the fair market value would bear. The price we paid for them – we tried to pay as little as possible and we tried to sell for as much as possible. But we didn’t control either factor so we would do the best we could just like we do today. We try to buy low and sell high to the best of our abilities. So it is domain speculation and I actually invented that word which used to be called cyber squatting. And I also invented the word expression premium domain and I also invented domain investing even though it is not kind of generic but nobody else called it that. They called it squatting and all kinds of derogatory stuff.

So basically my group legitimized the business. We paid taxes. We took credit cards. We have real employees. We legitimized the trading of domain names.

Michael: And this was during the time when domains were expiring and they were dropping and if you could drop catch them and figure out a way you could catch some of the best domains names, this was before auction houses were even in existence. Is that correct?

Mike: Yes I mean that is one of the best ways to do it for sure. There is lots of ways you could buy them and all sorts of different methods. But that is a rich source.

Michael: Right but essentially domain names were registered with Network Solution and then they were either renewed or they weren't renewed. If they weren't they would be dropped. And there was no way to actually get the domain names unless you were one of the few people that wrote programs, that in an automated fashion went to Network Solutions, asked them if it was available and tried to grab it as soon as it was available.

Mike: Or if you hired people that wrote programs. But this idea of these auction houses was a huge scam. The domain names that the public trusts – when I go there and I say mikemannscompany.com and I register that, I'm paying for it, I invented it, it's my intellectual property. If I fail to renew the license it is nobody's business. That name ceases to exist. It is not the right of some auction group that has an inside monopoly huge scam to take that name and then sell it back. So yesterday somebody got like \$40,000 for orangejuice.com. But the auction group that got that had no right to that name in the first place.

Michael: So that is interesting. I have actually reached out to ICANN. So as a newbie to the domain name industry I've tried to figure out how things work and I can't find out any details on icann's website about the rights of auctions houses to exist and whether the domain registrars are allowed to partner with them, or create their own auction houses. And I have reached out to them, sending them an email and calling. No response back at all.

Mike: It is a huge scam. It is an old school Washington scam. Network Solutions is associated with SAIC, Science Applications International Corp, which is a CIA associated group. And Senator Warner and all the old time senators and congressmen in Virginia who are associated with the security committees in the commerce department, made sure that Network Solutions had a monopoly contract. And when it broke up they made sure the new scam would be the auction contracts, people in Virginia, people in New York on Wall Street always a scam. This is a huge scam. It's crooked and they are stealing my money every day. There is just nothing that I can do about it

other than tell you. I should hire a bunch of lawyers and go at it but it is just like years and years. I actually laugh because I am the only person who even seems to care that everybody is being robbed.

Michael: Well I care too and I know a lot of people that aren't in the domain name industry think that it is unfair as well. So anyway, we got diverted.

Mike: They are a bunch of crooks.

Michael: Right. So BuyDomains, you started grabbing domain names when they were dropping. What was the peak quantity of domain names that you filled, BuyDomain's portfolio up to? Do you remember?

Mike: Are you saying the day we sold it?

Michael: If that was the peak quantity that you had.

Mike: Today is the peak quantity.

Michael: When you sold it.

Mike: Well, I still own part of it.

Michael: When you sold the majority stake in BuyDomains.

Mike: When we sold it there were about 500,000 names. It is over 1,000,000 now though.

Michael: And were these any kind of domains, Mike? Were they .coms, .biz, .orgs, everything? Or were they primarily .coms?

Mike: I don't even think .biz existed. They definitely weren't .biz. I don't buy that. But the vast majority were .com, a lot of .org and some .net, but 95% .com maybe 90%. I'm just guessing but 90% were .com.

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Michael: So BuyDomains was essentially an aftermarket. Was BuyDomains the first, to your knowledge, the first aftermarket available to purchase domain names?

Mike: No it wasn't the first one but again it brought the credit card into the site, we paid taxes, we had staff, we had patents/trademarks. We brought legitimacy to it. They are all sorts of random things. Also we brought scale and volume to it. We were the biggest and the best by a long shot. So everything else came after.

Michael: What happened to BuyDomains.com?

Mike: What happened to it?

Michael: Yes.

Mike: It is a fantastic corporation. It is like seven years later or something. They own all kinds of great websites. They still are probably the world's biggest domain traders. DomainMarket, my current company is trying to catch up but BuyDomains is huge so it is not as easy to catch up.

Michael: In 2005 you sold a majority stake of BuyDomains.com?

Mike: Right. I'm still own a good chunk but I am not involved with the corporation.

Michael: And who did you sell the majority interest to?

Mike: It is all documented but it is Highland Capital Partners and Summit Venture Partners in Boston.

Michael: And is it public information how much you sold a majority interest in BuyDomains for?

Mike: It is not supposed to be.

Michael: So in one of my books, I think it is The Domain Game...

Mike: I mean I'm not supposed to comment on it.

Michael: There is a guess that it sold for north of – majority stakes sold for north of \$80,000,000. You won't comment on that?

Mike: I'm not supposed to comment on it. No big deal. Most of my money goes to taxes, partners, charities, ex-(wife)s. I don't actually use it so much.

Michael: Alright. So you sold a majority interest in BuyDomains.com. I'm sure you had a non-compete for a number of years and then you got back into the game.

Mike: Yes, sir.

Michael: Alright so now you are the founder, or you have been the founder of active for-profit companies including phone.com, seo.com, you have your own marketplace called DomainMarket.com, YieldSoftware which is a pay per click bid management software system, and many others. How did you get these great domain names? When you sold I assume your entire inventory of domain names with BuyDomains in 2005.

Mike: Okay let's just break it down then. First of all YieldSoftware.com is a great corporation but not necessarily a great domain. And that is another case of a company that I started and hired the management and got it going. It has also been sold to Venture Capitalists and I also have a minority share again similar to BuyDomains a Draper Fisher and WPB crew own the majority of Yield Software. So it is a great company, the name itself is just the name that went with the company. So the other ones in every case, I guess people get confused and assume "Gee I have a great domain I have to build a company on top of it". Occasionally it is like that but it is really the other way around. It is I want to start a great company so I acquire the very best domain for that company so I can have the best most profitable company possible. That is the correct answer.

So phone.com was never a speculative domain. I never owned it. I bought it to start a phone company, so we bought it and started a phone company

which is why phone.com has nothing to do with my domain trading experience. I just knew that I needed the best domain to start this great company. And it is a fantastic corporation and the fact that it has this awesome name makes it that much better. It gives it a search positioning. It gives it notoriety. People remember it better, etc. Phone.com is a fantastic corporation I recommend you check it out online. It offers really cool cutting edge services, applications that we developed and invented. Some of them we source from third party.

Seo.com is a consultancy. In this case we started – well I bought a two man SEO company some years back with a name that was just a regular name. A nice name but it wasn't good enough. So again we sourced the name seo.com for an SEO company. It is probably the very best possible name. So again that is the point here. I started a phone company what's the best name? The best one I could come up with is phone.com. And I could get it. In most cases you can't get it. So you know YieldSoftware I would have maybe preferred ppc.com. We actually did own software.com – we almost named YieldSoftware software.com as we owned that name at the time. So it is a mix and match. The object is to start a great company and get the best names on top of it.

Michael: So you will actually have the idea for a company. You will think about the best name for it. You will come up with an idea like phone.com and then you will look of the 'who is' for phone.com. You will contact that buyer. You will make an offer and then you will close the deal.

Mike: Yes that is not what happened with phone.com but yes that is what happens oftentimes.

Michael: What happened with phone.com?

Mike: Oh well one of our business partners – there was some big corporation...Phone.com was actually a \$2 billion public corporation. So it was a huge corporation that was in the mergers and acquisitions sphere. Then the company that bought it didn't use the name anymore so they were just sitting on it. So, one of my business partners sourced it from this company that wasn't using it in order to start our new company. So he did the 'who is'

so essentially it starts with ‘who is’ I just didn’t personally do that one. I do it pretty frequently. I buy lots of domains by doing the ‘who is’.

Michael: So are you hands on managing these companies that we have mentioned so far?

Mike: Again it is a mix and match. So like YieldSoftware and BuyDomains I don’t manage at all. Seo.com I’m the CEO of Seo.com so I am relatively hands on with that. I am the chairman of phone.com so I’m kind of medium hands on with that. But I am not the president of any of these unless they are brand new startups and we just haven’t found a president. So I am the chairman and CEO, so basically above the presidents. So sometimes I have to get my hands dirty. You know DomainMarket I have to spend the most time just because of the volume of activity. We run charities, I write books, so there is a lot of stuff going on.

Michael: So let’s talk about one of your charities. You are the founder of GrassRoots.org, which is a 5013C not-for-profit organization that provides free services to other not-for-profits. Can you tell us a little bit more about how that organization works?

Mike: Sure, so we tried to create a really simple goal so that we could accomplish it. So we didn’t want to get too confused. So the idea is that we want to sign up 10,000 members. What we want to do with those 10,000 members is give them approximately \$10,000 per year worth of free services. Those members are all 5013C charities that the United States I.R.S. approved and said that they were legitimate charities.

So again we want to have 10,000 legitimate charities that pay nothing to us and each of them we want to give them approximately \$10,000 per year worth of free services. So, to the extent that we accomplished that, that is \$100,000,000 per year going into the non-profit communities. So in other words they save \$100,000,000 when we complete this, they would save \$100,000,000 per year and conceptually that would save huge numbers of AIDs patients, cancer patients, Cystic Fibrosis patients, hungry people, uneducated people, people politically repressed and the likes. This is the types of things that we hope to address with our membership.

Michael: That is fantastic Mike. And what kind of services do they have an option of using for the \$10,000 you are giving them essentially? What are those services?

Mike: Sure, well again it is not cash to be very clear. I do run another charity that does give people cash when they qualify. But in this case this one is giving free services. We are trying to give away \$10,000 of free services. But in order to do that we have to source lots of partnerships and lots of helpers and lots of volunteers, which is what we do currently. However we've only – I don't know the exact number but I would say approximately, let's say we are a quarter of the way. Probably give them \$2,500 of free services a year. Now we have 4,000 members signed up so we are 40% of the way on the membership however an anomaly in analytics here is that I'm not sure what percentage of these 4,000 people are actually using all the services yet.

So it is not an exact thing. Maybe I'm going to have to sign up 30,000 members to get 10,000 active members. And I know I'm going to have to do a lot of work finding partners to help us give free products and services to those charities in order to reach the \$10,000 plateau that we are trying to achieve. Like always I'm a believer, I feel perfectly confident that we are going to knock it out.

Michael: Of that \$10,000 worth of services that you are trying to bring in partners in to donate to these not-for-profits you are actually contributing some of your companies services as well. Is that correct?

Mike: Absolutely.

Michael: Seo.com?

Mike: Yes and our business partners. You know the business partners of phone.com, the business partners of DomainMarket. We have been in business a long time. I've been in business a long time and done lots of deals. So a lot of people help us but it is just not enough to reach the level we are trying to reach. We offer great free services today to charities that are very valuable and we just want to actually hit our exact goal – trying to get all the

way to \$10,000. We need approximately quadruple the amount of services we currently provide. I need a lot of people stepping up to the plate to help us out essentially.

Michael: So somebody could go to aux.com they could see that you have homeless.org available. That could be a tremendous passion of theirs, they could have worked in not-for-profits for years and they want to start their own not-for-profit and run it their own way. They can contact you, they can work out a deal with you for using the domain name and creating this not-for-profit organization and then they could actually get free services. Like a phone service and building a website and seeing the website and things like that and anything else that your partners have? What a fantastic opportunity.

Mike: And not only that, if they are starting a charity, like a legitimate homeless charity for example, I'll personally help them on a regular basis to make sure that they do it right. And if they start a business and I own shares of it again I'll make myself the chairman of their company, of their Board of Directors to make sure that I'm going to make a profit on the thing. So that is actually good for them. If I own shares in their company, I am so assertive and I have so many connections that, again I am so aggressive I want to make myself a profit that if they own shares in the same company there is a very high likelihood to make a profit because of my motivation. In the same way those are the people that we want to bring with us – the people who have similar motivations that build the corporation, build a brand and get us paid.

Michael: So essentially it is similar to an incubator where somebody can come in and they can get your mentorship, they can get connections from your multitudes of companies. In some cases you actually have customers that are waiting for services. So it is a fantastic opportunity in a lot of different respects.

Mike: It really is. It is a lot like an incubator in a lot of respects. It's just we don't have all this Venture Capital juice and fancy offices but it is a new style of incubator. It's our own style that we put together.

Michael: So now that somebody understands how you operate, where you came from and what you are doing at aux.com they can go to that website,

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they can look through the domains that you have listed there. Now they understand that you own buydomains.com. Can they also go to buydomains.com and do a search on a word and see a domain listed over there that is not listed at aux.com that you would be interested to contribute to partnership like this?

Mike: Yes, we would have to buy the name. The name DomainMarket I own 95% of the company. So I can do what I need to do. With BuyDomains and I am a minority shareholder I don't work there. I haven't worked there for a long time so I don't go in and touch there inventory. But I buy names from there all the time. They probably don't even know it. We just need them for our normal business. We just go in and put in our credit card or have somebody buy it. I bought sixgovernment.com from them the other day and they probably just don't know it.

Michael: I'm sorry I misspoke. Can somebody go to DomainMarket.com, the company which you own, see a domain name there that is not listed at aux.com and then contact you and say "Mike I want to partner with you on this domain".

Mike: Yes as a matter of fact that is probably a better way to do it anyway because of the enormous database that is searchable there.

Michael: Okay they go to aux.com or they go to DomainMarket.com, they look through the domains, they see the perfect domain name that they want, they get an idea or the domain name matches with their idea already. Then your next recommendation at aux.com is that they read the best practices as starting a company at internetapplications.com and they read your book that you are the author of, Make Millions and Make Change (and they can do that for free at makemillions.com). Is that correct?

Mike: Yes, sir. If I could just back you up for one second there is an important point that I haven't really put in yet. We own basically an H.R. agency called brightfuture.com. So I have already taken a filter beyond aux and I picked out the ones that I am personally interested in spending time and money and energy to build. So the next 20 companies that we want to build are actually on brightfuture.com. But you can still work down the tree and at

aux.com there is a bigger selection and at DomainMarket there is an even bigger selection and at BuyDomains there is even a bigger selection. So you can get your names from wherever you want but the issue is that the corporations that I want to start are at brightfuture.com. I just so happened to scrape off the best names for those corporations but they are interchangeable. I do this all the time. I have a corporation up there and I yank the name and put a different name on it because it hasn't been built yet and I find a better name. I try and build the best ones but it is not so much the name but it's about building the company that is the important thing.

Michael: So the companies and domain names that you already have a passion for, you have already started working on are at brightfuture.com. And then aux is one that you sort of stripped out but you haven't necessarily started and then there is DomainMarket which are all of them that you own. Literally if somebody wants to partner with you choosing a domain name in a business that you are passionate about is probably the best way to get going.

Mike: Yes, sir and again the next level of all of this is mikemann.com which has fully developed companies and businesses however we need to still hire lots of people. We need lots of help with lots of projects at landing pages. Again it's this evolution that mikemann.com has existing companies that needs a lot of juice. BrightFuture is the companies that we want to build. Aux is a broader list of companies that we want to build and then one could get domains from anywhere and bring me a business model. Talk to me about it if they want to.

Michael: Okay that makes perfect sense. So you say somebody can bring you a business model. What does that business plan look like that you are expecting?

Mike: Well it doesn't have to look like anything in particular because it just depends on what is going on here. I mean there is business plans, there is business models. There are emails that explain things. There are executive summaries. There are power point presentations. And there are active napkins that the best people in the world usually use. So it is just a mix and match but again to get through my system you need to know what you are doing. So you either know what you are doing or you don't. So you present me

something that it is clear that you know what you are doing. You have your own resume example that explains what you already did. Then you could either use one of my names or not. Just explain why you are a legitimate candidate to do whatever. You might want to be the sales manager at phone.com and not the president of advertising.co. There is so much stuff going on. People bring me all sorts of stuff. The correct answer is that somebody should have a professional buttoned up business plan if they really want to knock it out of the park, if they really want to get my attention and really get going they should look like a professional.

Michael: Sure and what if somebody comes to you with a well thought out business plan, that is an area that you are passionate about and one that you want to develop what would a typical term sheet look like for partnering with you where you are providing the domain name, the contacts, the mentorship and maybe some hot leads to get the business going?

Mike: I mean they are all different. It depends who the person is and what they are bringing to the table to really – if they have investors, if they have a history, if they have a business code, domains, they are technically skilled, is they are a lawyer, if they are technically skilled in mergers and acquisitions. Everybody gets something different but again as we evolve we do lots of businesses, we have had a lot of successful exits, and we have done a lot of cool stuff. So I like to express leverage and maintain control. I don't have any reason to allow anybody to control businesses necessarily.

I don't have anything against it but there is no reason because I can basically do what I need to do. We've already done it. And the main problem is that I have these documented procedures at internetapplication.com, at makemillions.com, in my blogs, on my website, etc. We document the stuff that works, the stuff that we want to test. And I want to maintain control and enforce the entrepreneurs to follow this processes and procedures. And the reason is we make more money that way and that money goes to charity. We maintain this control and these processes, the charities that we are trying to serve are better served because the majority of the money is going to get through to them in the long run.

Michael: Okay so I know a lot of startup entrepreneurs are going to say to me Michael I want details. I want to know if it is even worth me looking at Mike Mann's domains. Let's take my example. I've been an entrepreneur in the past Mike. I've built a successful business. It's been profitable. I had an exit at a large multiple. I want happybirthday.com. It is a million dollar domain name listed on DomainMarket.com. If I want to partner with you and you are going to provide some leads for me, some great assistance. What percentage of the company that we are going to form are you going to own by contributing the domain name and some other benefits to the business?

Mike: Every business is different. Happy Birthday is one that actually has a history that I have had a lot of involvement with. One of the most valuable names we own. I would be extraordinarily hands on with that particular case. And it requires certain codes that (I don't build the codes) I tell the people what sort of behavior is has to have. So in any event you may have to present something relevant and most likely you would get a small salary and a lot of stock options.

Michael: Okay so you would actually provide a salary. You are not expecting somebody to bootstrap this from the ground up.

Mike: Again they are all different. You are giving me specific examples and that is actually a real thing that I need to start and get out today. It would be in your best interest to take no salary and you could make a case for much more stock options. Make more money in the long run. Anything we've exited the equity holders make much more than the salaried people. So it is always better to get more equity essentially.

Michael: Yes, so what kind of equity would you provide to me if I were to work on happybirhtday.com with you?

Mike: You know this is totally hypothetical. You would have to show me something. I'd just want to know.

Michael: Would you need to have at least 51% equity in the company to have the final say on everything?

Mike: Nowadays, again, the stuff I want to start is already listed at brighterfuture.com and I am going to end up owning the majority of it. It is not that I am averse to owning less. If somebody is going to put in millions of dollars or something...I do a minority of some companies but there is no reason to start something and presume that I would want to be a minority because it is in everybody's best interest – it is not really about owning a minority it is about voting control so I can make sure that my processes are followed so we all make money. It's not so much about control and whatever.

But again we juice up these companies. we put in names that are worth hundreds of thousands dollars if not millions of dollars and we have lawyers, accounting, H.R people, web developer, seo people, domain experts, so again prmarketing.com, ppc.com some of the recent companies that we have started. We started very recently and they are already fantastic companies. They already are very established online. They already have customers. They are already worth, not a huge amount, but they are worth much more than one would think they would be worth.

Michael: So if a team comes to you and they have a fantastic user interface, design person, they have a fantastic tech guy who can build anything in an amazing turnaround time, and they want to select one of your other domain names. You are clearly providing a lot of benefits providing the marketing, the accounting, the Human Resources; you can really provide all the back end for them to get started without them having to worry about that administrative work.

Mike: Right and then again if they don't need me, which the vast majority of people don't need me, or at least they don't think they need me, they give us five a name.

Michael: Alright so clearly I'm not going to get any percentages out of you.

Mike: No. Actually you didn't hear me. I said you would probably get like 10% or something.

Michael: Okay 10% I didn't hear you.

Mike: But it is all hypothetical. I have 20 editings out there but I have gotten thousands of people have emailed me, contacted me in the last 10 years. So the vast majority of it somewhere along the line doesn't line up. And a lot of it is just the map at the end. They don't want to take my deal.

Michael: Exactly and they are coming to you and saying we have this idea and we think it is worth this much or it is going to be worth this much in a future time and you have this domain name asset and other benefits that you are providing that have a current present day value of this much and so they are trying to figure out how they fit together. And make sure that everybody feels that it is fair.

Mike: Right and again I have an inflated self worth. So I always think our portion of it is worth a lot and I don't compromise that much. So I am known for being very straight forward and aggressive and that is just the way I roll. It works for me. It gets me paid.

Michael: Do you have an example of when somebody came to you with an idea, you partnered with them, with the domain name and it was completely out of the blue, you didn't select the person, they came to you. Do you have an example that you can tell us about?

Mike: Of the existing sites that we have online?

Michael: Correct or maybe one that is in development.

Mike: Oh yes, there are plenty of examples, but a good one is skateboards.com. He was an entrepreneur, he was a skateboarder and a surfboarder and he had this site and he needed the juice from business internet people so he came to us and said hey I got this name. And we eventually got through all this levels of negotiation etc., etc and helped out this corporation which is now really cool online skateboards.com.

Michael: So he actually came to the table with the domain name and you provided all the other benefits or assets.

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Mike: Yes, exactly. It's actually a group, skateboards.com/surfboards.com/snowboards.com. It is a package. So I've sold my shares of that but that is how it transpired.

Michael: And how do you decide what kind of a business plan is worthy of one of your domain names? Do you have a minimum threshold for revenue or timeline or does it merely come down to the team?

Mike: Again there is just so many factors that some of it is abstract. A lot of it, most of it is a process of elimination. It is really easy to eliminate most people. So the idea that somebody made it through all the phone calls and the documents and dealt with my people (some of my people are difficult as well) if they made it through all those hoops and we actually have a deal that we all agree to but the name then they probably deserve to have a company and get the thing over with. So eventually we go through all this layers of process and the cream rises to the top and then I force everybody to finish the papers and be done and go about the business. Really it is a hard process but we have done it so much that I'm just used to it.

Michael: Mike I've got to ask. Someone just opened the door and dropped off a tray is that some food over there?

Mike: She came in with a bikini and dropped off a cheeseburger.

Michael: I've got to have somebody walking in my office in a bikini and drop off a cheeseburger.

Mike: The beach is right in front of my window here. That is a good deal. It is a veggie burger not a cheese burger.

Michael: Alright, if I go to one of your websites, Mike, bizniz.com, you have people submit business plans actually to Sequoia Capital. Is that where you prefer your business plans to be submitted?

Mike: You are just confused there. That is not our site.

Michael: Oh that is not your site.

Mike: It is my domain I'm just pointing it to their site. And I am telling people do you want to know how what model – if you want to submit a business plan to us use their formula because they have the formula.

Michael: Okay I understand. So at aux.com you reference business.com which I assumed was your website. And it's not.

Mike: No there was no point in recreating it. It is just a bullet point list of best practices of creating a business model. There is no point in me rewriting their model when we can just point to it. If you want to send them a plan you can too.

Michael: Alright Mike on Corda.com it is a Q&A website you wrote a secondary market is illiquid meaning great names at great prices are hard to sell. That was about a year ago that you wrote that. Do you still feel that the markets are not liquid?

Mike: Yes and I'd like to make another point. That site Corda those people are the biggest morons. They kicked me off their site for commenting about some stuff. They don't want me on their site and they also tried to go to the market place with like a \$100,000,000 evaluation, like ridiculous. So I outed them and now they like locked out my password. They are like children.

Michael: Lovely.

Mike: So I am outing them again.

Michael: So some of the content that you contributed to Corda is still available. And you still feel that the market is not liquid.

Mike: It is definitely not liquid. So DomainMarket.com has 150,000 domains approximately, probably 50,000 of them that cost \$350. They are super bargains. They are contextual que names. Some of them have a little traffic. Google likes them if they are que word heavy. They are great bargains and we sell like ten of them a day but like I said there are 50,000 there. Why don't we sell 100 or 1,000 a day? The reason is the market is illiquid. There

are very few people who buy domains and sell domains. It's just that you and I are insiders. For us it is like a normal concept but to the rest of the world "What the hell is a domain?"

Michael: Right so what will change the situation? And how do we bring more liquidity to the market?

Mike: We already do bring liquidity to the market. Again I spoke about how Network Solutions used to do it through the mail. How our company BuyDomains back then were the first people to take credit cards over the website. So again you are creating more liquidity. Then I have a patent for a thing called Name Find. Where it helps people search for domains by keyword. You don't have to know the whole phrase. It suggests the terms for you. That is a patent that we invented way back when. And the point is all this stuff brings more liquidity. Me coming out here. Me seeing this conference. That will bring more people in, start learning about domains, find more. We have these domain conferences or they have them. They have experts, we get some publicity. So again there is more and more liquidity today but it will always be a thinly traded market because it is such a weird little niche.

Michael: So education is one of the keys for bringing more liquidity to the market.

Mike: Yes.

Michael: You brought up a point earlier Mike that you actually coined the term premium domains back in the day. I am on a lot of mailing lists - I'm on LinkedIn - a lot of groups. People say I'm selling my premium domains. Here is my list. I look at them and I say I wouldn't probably spend more than \$10 for any of those names. Can you give me a definition of what a premium domain is?

Mike: It sells for greater than the registration cost. If it sells for greater than the listed cost it is truly premium, it's been proven. If people attempt to sell it for greater than the registration cost then they are saying its premium but it's really not. Those names you said aren't actually premium. They are just

being attempted to be sold like premium names at premium prices. Ones that actually sell those \$350 names that I sell ten of them today and it is much higher than the registration cost them every one of those is a premium domain, bona fide, because it sold at a premium price.

Michael: Got it. So premium is greater than the registration cost. So what would you call a name like sex.com that sold for \$13,000,000, happybirthday.com that you have for sale for \$1,000,000? Is that ultra premium or is that just premium anyways.

Mike: You can call it anything you want. I call it super premium or the best of the best.

Michael: Thanks for clarifying that. Do you park all the domains that you have available at DomainMarket.com and generate revenue from the parked domains?

Mike: Yes and no. We park them but we don't generate revenue.

Michael: How is that possible?

Mike: It is just such a small amount that it barely registers. Parking set up is just a disaster. We are redoing everything. It is a constant state of evolution. We are actually aggregating a lot of traffic if we are working on our strategies as to how we are going to monetize the traffic, other than selling the domain. And you know I've done this stuff before. It is a lot of work. I need to hire in a lot of good people in institute some software.

Michael: Frank Shilling just came out with a new parking company. InternetTraffic.com. The domain investing community is abuzz with information. Have you moved any of your domains over to Frank Shilling's new parking service?

Mike: I don't think so. I mean he hasn't called me about it. I don't know if he has spoke to some other people who work with me but not as far as I know.

Michael: Okay. One other question that I had about your domain portfolio - some other domain investors have referred to a turnover rate of one to two percent per year for sales of their portfolios. Do you agree with the number based on your sales at DomainMarket.com?

Mike: I actually don't have the math on that. I don't want to speculate. But it probably sounds right. I'm not for sure. See in our case we probably, we would sell a greater portion of our older names but the issue is we buy such a huge volume of new ones that it takes time to sell. The sales process could be years. So if we stopped buying names then I think we would have a disproportionate sales percentage just because we have a better quality of inventory.

Michael: And do you offer consignment services? If I have domain names that I want to sell can I list them on DomainMarket.com because you get so many people going and you have such a portfolio there that you probably have more people there than I could get my 100 domain names?

Mike: Not really. It's not a profitable niche for us, but if you owned one of the super premium ones we would do it. But you know just one of those regular ones, particularly the ones that you think are premium but I don't think are premium I don't have any interest in cluttering up my site and we can sell names and keep almost 100% instead of keeping 5% where the brokers get 5% but we are the principle so.

Michael: Okay. Yesterday there was a UDRP ruling that took 21 domain names from domain asset holdings, which is the company that has the domain names for DomainMarket.com, your marketplace and awarded them to Facebook Incorporated. All of the domain names had the word Facebook in them. I was asked by a reader if I could ask you about this. Were you aware of that UDRP ruling yesterday?

Mike: No. I'm really pissed off because I had offered to give them the names for free. So I have no idea how they got to UDRP. I don't know. Somebody on my side screwed up or something else happened. I have no idea. It is upsetting me.

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Michael: So they probably contacted somebody at your DomainMarket.com company and something happened, but...

Mike: I mean we offered to give them to them for free. So maybe there is some huge incompetent corporation, they should have never harassed us in the first place. You know it says things like, I don't know, do you see the names there? It's like facebookgirls.com or something.

Michael: Facebook security I think. And aboutfacebook.com I think I remember.

Mike: That's one again it is a stupid technicality. If we wanted to spend a fortune on lawyers I think they actually owe me rights. But I offered to give it to them for free so there was really no reason to go through UDRP. Just some corruption in the bureaucracy, I have no idea what happened.

Michael: Yes because clearly – there is a website called allfacebook.com and they have 300,000 fans on Facebook. It is an unofficial blog to Facebook. So I'm not sure why allfacebook.com can exist but aboutfacebook.com (which I think is one of the domain names that was mentioned in the UDRP file) cannot. Is that a matter of you are just not using it actively?

Mike: It is all b.s. They are all bullies and they should leave small entrepreneurs alone. Who cares? Why do they care? Nobody is going to confuse aboutfacebook with Facebook. Everybody knows what Facebook is. There is 50,000,000 – 150,000,000 subscribers for God's sake. So I mean they are just annoying bullies. Again we offered to give them to them for free anyhow so I don't know how it got through this whole thing. No one even told me. I didn't even know until you told me this morning that it even went to UDRP. I'm like what the hell.

Michael: Okay Mike, well you have been very generous with your time. One last question for you: Knowing what you know now, after having started so many companies and being an entrepreneur yourself, what advice do you have for would be entrepreneurs who have yet to take a first step themselves.

Mike: My advice is to make money and work for Haiti.

Michael: Work for Haiti. Tell me more about that. That is a beautiful t-shirt.

Mike: It is one of our charitable interests. No, so my advice is to follow these processes we documented in my book. It's free, MakeMillions.com. You can download a free copy and read it. You can order a copy at Amazon if you want. We also have a lot of good stuff at internetsapplications.com. And I've written and blogged about all kinds of stuff. But there are these processes that if people care to, they can follow the processes and they will have a disproportionate chance at success. And they are very likely to make millions of dollars if they work every single day, following these steps practically, there is a great chance of making millions of dollars literally. With those millions they can dig in and apply that to their charitable work. Haiti was just one good example where there is a huge amount of need. And when we are sitting behind our desks making money, doing whatever we are doing we need to go back and apply it to something more important going on in the world. So just one example, I wore this shirt on purpose to make a point.

Michael: That is a noble cause and a great example of how you can give back. Make millions and give back. Mike, if people want to go see the work you have done and the companies that you have built so that they can think about the kind of companies that they want to build they can go to mikemann.com. If they are interested in browsing your portfolio they can go to aux.com and DomainMarket.com. Submit a business plan to you.

If the readers have follow up questions will you come back if I email you and if they post their questions down below this video will you answer a few of those questions for them?

Mike: Sure.

Michael: Awesome and if somebody wants to reach you directly, Mike can they do that by email?

Mike: Yes mikemann@mikemann.com.

Michael: Easy enough. Are you active on Twitter?

Mike: No but I'm big on Facebook.

Michael: Facebook. Okay, Mike thank you so much for doing today's interview. You are a wealth of knowledge and I hope that thousands of new companies are started up that provide millions in relief to people and other charitable causes. Thank you so much for what you do.

Mike: I appreciate it.

Michael: Thank you all for watching. Bye.

Watch the full video at:

<http://www.domainsherpa.com/mike-mann-auxcom-interview>