

The Internet's Best Kept Secret Revealed...

How to Create Automatic Income With Expiring Domain Names

Matt Smith & Shawn Casey

The authors of this report provide their opinions on the opportunities available in domain entrepreneurship

Shawn: This is Shawn Casey. I'm here interviewing Matt Smith about the tremendous opportunity available in domain investing.

You've probably never heard of Matt but he's spent the last few years running a multi-million dollar Internet marketing business. Matt is also one of the leading experts on how to make a fortune with domain investments. He's developed the industry's leading software system and has an amazing method for finding cheap domains that deliver huge profits and very valuable targeted traffic.

We're going to discover what domains are all about, how to find the right domains and how to make money from domains once we find them. We'll discover how a billion dollar marketplace has sprung up that only a few lucky people have discovered and how those people are raking in astounding profits.

So Matt... before we get into the finer details, give me an idea of some of the exciting things that you see happening right now.

Matt: Shawn – I've been very successful online and I thought I'd seen every way there was to make serious money. But when I discovered the world of domain investing, I was blown away.

There's a guy named Rick Schwartz who's called the Domain King because he makes \$2,000,000 a year in passive income from his domains. Imagine that... \$2,000,000 a year and he doesn't even have to worry about building websites on those domains or driving traffic to them because they already have traffic.

After I found out about this, I started buying domains myself and I've had a blast once I figured this all out. I've bought a bunch of domains, many of them for \$60 or less, that now generate an amazing income and an astounding return on investment.

One domain I bought for \$60 a few months ago now brings in \$300 a month in passive income and would sell for over \$10,000 today. I've got another domain – also bought for \$60 – that brings in traffic that would cost me about \$5,000 a year to get on a pay-per-click basis. Imagine that – I get many thousands of dollars worth of traffic every year for a tiny investment of just \$60!

Shawn: That's incredible! And from what you've told me – and we're going to discuss today – anyone can now do the same thing you do to get these cheap domains. So let's dig into the details on how all this works.

To start at the beginning... what's a domain?

Matt: A domain is the easy-to-remember internet address that helps people navigate the web.

In the early days of the Internet, there was a series of numbers or IPs to designate every website. It was basically, "26.96. whatever." It was very difficult to remember, so they came up with a naming system. That's what the domains are.

Now you can have ShawnCasey.com instead. It makes it easier for people to remember. It makes it easy to market and easy for people to find things online.

Shawn: I remember way back when in the good old days of the Internet, about 10 years ago. People were hot. They said, "We've got to buy these domain names. We're going to get rich." That was really just speculation, wasn't it?

Matt: It was speculation. Some of those people did get rich. Most of them did not. It was all pure speculation based upon unfounded criteria and guesswork. It's so different now.

It was pure speculation back then. Now it's based on sound business fundamentals like revenue, believe it or not. That is kind of odd for the Internet.

A domain's value is most frequently based on the actual revenue and traffic it produces. It's something you can really count on and predict.

Shawn: Let's talk about how you got interested in this.

Matt: I saw sites where I didn't understand why I was seeing them. I'm sure everyone who is surfing the web sees them, too. You mistype a word into your browser and, for whatever reason, you end up on a page that is just a series of ads.

I am an Internet entrepreneur. I have been online since 1999 in a business capacity. I'd seen a lot of those, but didn't really understand what it meant until recently. It started to pique my curiosity.

About the same time that I started to look into this, there began to be a lot of press about this space. The press was shocking. It took something I thought of as almost an accident or an anomaly and put a little light on it. It showed how big that opportunity is, and how much money people make with ads and other things that relate to domain names.

In 2005, there was an article called "Masters of their Domain" in *Business 2.0*. It was kind of the coming out party for the industry.

All of a sudden, everybody could peek behind the curtain. It gave them a little taste of what was really happening, the opportunities and money being made by just a handful of people.

Shawn: To me, the problem was the article said, "Here are these guys making all of this money." There is one guy in particular who you know, Rick Schwartz. He's called the "Domain King." We know he is bringing in \$2 million a year in passive income from his domains.

Here is a guy making \$2 million a year. You see a magazine article in *Business 2.0* or *The Wall Street Journal*, They don't say, "The guy makes \$2 million a year. Here's exactly how he does it." Do they?

Matt: No, they certainly don't. A lot of these guys, quite frankly, aren't really excited to tell anybody about it either. They want to keep it to themselves. It's working for them. Why would they want to tell anybody?

Shawn: Why would they share? It doesn't get talked about in the general business or Internet marketing community too much. It is somewhat of a closely guarded secret by the few people who know.

Many people reading this interview may be scratching their heads. I was, too, before I learned about this from you.

There was something going on out there, but we couldn't quite put our fingers on it. We wondered about it. But we didn't know exactly how to find information. How did you start finding information?

Matt: When I read that article, it cemented in my mind that the opportunity was real. Although I saw it, I was never able to put dollar signs to it to know how big it really was. As I learned more about how big the opportunity was, I got more into learning about how to make it work.

A couple of things made me realize how big it was. Number one, all of the press it began to receive after the *Business 2.0* article. It was also in *The Wall Street Journal*, *USA Today*, *Forbes*, *Red Herring* and all of the major publications.

There was also the whole "follow the money" idea. Some very big money has gone into this space over the past two years. This includes Ross Perot, the 1992 presidential candidate. Perot Investments has invested huge amounts of money.

One of my favorite things is Starbucks. Howard Schultz is the chairman of Starbucks. He has an investment company called Maveron. Maveron has also put a lot of money into domains.

Shawn: When you say "huge amounts of money," you're talking millions and millions of dollars, right?

Matt: Yes, millions of dollars. These guys are not in the Internet business so much as they are in the real estate business. They see these domains as the real estate of the 21st century. Wall Street said that, too.

These people don't make wild guesses in investments. They're very calculated in what they do.

Shawn: These guys sit around and think, "It used to be a guessing game around what these names were worth. Now we can appraise a name like a piece of real estate." They can go out and analyze the market.

They say, "Listen, I ought to pay \$10,000, \$20,000, \$50,000 or \$100,000 for these domains."

In 2006, the top domain sold was reported as Diamonds.com for \$7.5 million. That's a huge number. When you look at that number you think, "Anybody who can write a \$7.5 million check isn't guessing."

Matt: I certainly hope not!

An article came out recently that I found to be very revealing. Everybody has heard of MySpace.com. Richard Rosenblat was the chairman of Intermix Media, which owned MySpace.com.

He was brought in to turn that company around and position it for sale. He sold that company for \$580 million in 2005 to News Corp. Everybody knows about MySpace.com. A few years before, he had built another company that sold for \$500 million. All of this was Internet-related.

This is a guy who was pretty Internet savvy. He certainly knew about what was going on on the Internet.

In a recent article in Business 2.0, he's quoted as saying that he had no idea the opportunity was what it was. He said that he talked to domain owners who make \$20 million a year. They had just a few employees. He thought, "It can't be that easy."

He's gotten into this full force. He took millions of dollars of his own money, and raised millions of dollars of other people's money, and got into domains.

I think it's important to point out that he knows the Internet, but he didn't see it until recently. Now he's running yet another global company focused specifically on the domain market.

Shawn: The fact that I didn't know and you didn't know, and many people reading this report didn't know, is actually more the norm than not. This isn't something that is publicly talked about like list building, emails and search engine optimization. This really was pretty much under the radar.

Matt: I think that's one of the biggest benefits. It seems one of the most unexploited opportunities.

When I looked at it initially and got excited about it, I literally stayed awake at night. I thought through how it could possibly work. I would imagine all of the scenarios of how you would be able to define whether or not a domain was valuable. Then it's just trying to figure it out, going out and actually testing it.

One of the most startling facts I found is that there was very little information on how to do any of this. There was really none. You could find some forums and enter into some discussions. But there wasn't a lot of really good information about it out there.

Once I figured out where to go to get these names, I found there really wasn't a lot of competition. So many other people hadn't figured that out, either.

It was a rare opportunity in my mind because it was so underexploited.

Shawn: I agree. People are obviously paranoid. Somebody reading through this might say, "Now that you've told everybody... there's probably still no opportunity." As we'll talk about further, there's actually a huge market and it's growing bigger every month.

Let's talk about expiring domains at this point. We talked about domains in general like Yahoo.com and Google.com . Those are domains, but we also have a marketplace for what we call "expiring domains."

Matt: I talked to my wife about this first because I was afraid I'd get in trouble. I basically set aside \$50,000 and said, "I'm going to learn how to do this." I bought domains in different places to try and understand how it all worked and see if I could determine a method that would be effective.

By the way, it all ended up working out well. My wife was happy. I profited from those domains, so it's okay.

The important thing is I found that the best place to find these domains is in the expiring marketplace. It's the secondary market.

People say all the good domains are gone. I agree. All the good domains, for the most part, are registered right now. You're not going to be able to

go to GoDaddy.com, or whoever your favorite registrar is, register 50 domains and think you have your lottery ticket.

There's actually more of a science to this. It's no longer the guesswork speculation of the old days.

Shawn: There's a difference between the fact that you can't register new domains now and the fact that there are still good domains available, right?

Matt: They're available in the secondary market.

Shawn: Let's explain what the secondary market is.

Matt: Essentially, there have been millions of domain names registered over the last 10 years or so. Every year, a lot of those domains come up for renewal. Some people will chose to renew them and some people will not.

This marketplace is so poorly understood. People don't really understand what makes a domain name valuable and what doesn't. They let their domain names expire. They choose not to spend the \$8 to renew a domain.

Somewhere between 15,000 and 70,000 domains expire every day. That's a huge amount of domains that are coming into the aftermarket every single day. Most of those are not valuable domains. But a thousand or more that become available every single day have existing traffic and linking structures that make them valuable.

A lot of them are just domains that nobody ever did anything with. They bought them a long time ago. Maybe they thought they would build a website and just never got around to it.

Within that group of tens of thousands of domains, there are some fantastic names. Literally as soon as some of them come into the aftermarket, people will spend \$100,000 to acquire them. In fact, there was one this week that went to auction and the buyers paid over \$100,000 for it.

Now imagine the person who had that domain. For \$8, they could have renewed it. Instead, they let it expire and the marketplace said, "Hey! That

domain is worth \$100,000! Somebody had this, but they did not understand its value and they let it go.

There are a lot of things that make domains valuable, but the key thing from my standpoint is its traffic. If a domain gets traffic right now, it's valuable.

Think about all the products that you sell online. You couldn't sell any of them if you didn't get traffic. If you get more traffic, you'll be able to sell more of them.

Any business online will have greater success if they can increase the quality and quantity of visitors they get.

The fundamental commodity is that highly targeted visitor. That's the commodity that some of these domains have. If you can zero in on the domains that have that highly targeted and highly qualified traffic, then you're tapping into a goldmine.

Shawn: Before people reading this completely panic, Matt, let's jump right to the chase of how much most of these domains go for. I know a lot of people listening to this are thinking, "I don't have \$100,000."

Matt: The good thing about this is you don't need it. In fact, I can give you some specific examples of domains that I've purchased. Most of the domains I buy in the secondary market, I pay \$60 for.

Shawn: Let's just go through a short version of the step-by-step process. Someone doesn't renew a domain. You notice that it's going to expire and you think it's a domain that you would like to purchase. What do you do from there?

Matt: All I do is backorder it. There are a few different companies that specialize in this. I'll backorder it with those companies. There's no fee to backorder them. If I'm the only one who backordered it, then I get it and they charge me \$60.

Shawn: So if there's no competition for a particular domain, you get it automatically. It's transferred to your account or wherever you want it to go.

Matt: Right.

Shawn: You mentioned an auction process. When does something go to auction?

Matt: Here's how this works. The very best two or three domains that may be expiring every day get noticed. Although there are tens of thousands, the best two or three are going to get noticed by people. Multiple parties can backorder a domain.

Let's say you and I are interested in the same domain and we both backorder it. You and I are the only people who do. Then you and I will end up in a private auction for that domain. The bidding process would decide how much that domain would be sold for.

Shawn: I want it and you want it. It comes up for auction. Are there a lot of cases where people really didn't want to pay more than \$60? They were just looking for the easy buy so they walk away?

Matt: Yes. I think that's definitely the case. Many of the domains I've backordered end up in an auction, but nobody bids on them. By going to \$61, I get it.

A lot of people backorder domains, but they're just doing it haphazardly. They don't do this with any kind of professional purpose. They'll backorder it, and then they aren't around for the auctions. They never take part in it and it never goes anywhere.

The real competitors for the domains, the people who are really going after valuable domains, are very few.

This is really the key thing. So few people know how to process the data and determine what makes a domain name valuable that there's very little competition for the valuable domains.

Shawn: That makes sense. If you don't know what you're bidding on, you wouldn't show up to bid anyway. You're certainly not going to bid with confidence if you have no idea what its value is.

Matt: That's exactly right.

Shawn: That makes sense to me. So how do you make money with these domains once you have them?

Matt: There are a lot of different ways you can make money with domain names. In my mind, it's really only limited by your entrepreneurial creativity.

You have this asset - the targeted traffic. What do you do with that targeted traffic? What you would do with it may be different than what I would do with it. It may depend on the way in which the traffic is targeted.

I'll talk about three main things people are doing but again, there are a lot of other ways that people profit in this space.

The first thing, and probably my personal favorite area, is parking. This is really what they're talking about in these articles that you read in *Business 2.0*.

It's what's being done by people like Rick Schwartz, who makes \$2 million a year in passive income. And I mean in crazy passive, no participation, no involvement income.

This is real passive income. It's not what most of us consider passive income, which still requires a little work. This is no work. It's parking.

Essentially, all you do is take the domains and point them to one of these parking companies. They're all free to use so you don't even pay a fee for hosting. They specialize in providing this service to a relatively small group of people, these domain owners.

You buy a domain. You point it to this parking service. The parking service has amazing software that will basically build a website automatically for that domain, and optimize the ads that are shown on the domain to produce the most revenue possible.

Every month the results, click-through rates, conversion rates and revenue get better.

Shawn: When you say they get better, Matt, you mean don't necessarily mean they get better overall. Every one of them gets optimized as the traffic comes through and they track the results so every domain performs better for the amount of traffic it has.

Matt: Yes. That's exactly right. Their computer systems automatically optimize the pages based upon user behavior.

Traffic is targeted on these domains. That's a really important thing to remember.

Those people come to the site searching for specific things. Based on what they actually do when they're on these parked pages, what they actually click on and show interest in, it will optimize the ads and information it shows them to increase the click-through and the revenue.

One thing I should say is that what's on these parking sites is pay-per-click ads. The fundamental thing that has changed about this industry from the days of speculation is the rise of Internet advertising. In fact, in an early *Business 2.0* article they talked about that. They said what makes these domains so valuable is the boom in internet advertising.

You have Google or Yahoo! pay-per-click ads that are placed and completely managed by these parking companies on these parked domains. They just send you the checks.

Shawn: I just change my domain so it points at their server, then I sit back and do nothing. Sooner or later, they send me a check.

Matt: They have systems and processes. Most of them pay monthly. It's well-organized. These are big companies that do this. There's a lot of money in it.

Shawn: How big is this parking business? A couple hundred thousand? A couple million?

Matt: An estimated \$400 million in 2006. The 2007 estimate is over \$1 billion for parked domain revenues.

Shawn: Wow! This really is a huge market!

Matt: It's huge now. It's \$400 million this year.

The crazy thing is the growth of it. It's going from \$400 million to \$1 billion in 18 months or so. That's a big jump.

One thing I like about this is if you want to take advantage of the single biggest growth area online, and that's the space that Google is in, this is a good opportunity to do that.

One thing that's really important to remember is if you do any advertising, you've seen the costs go up. Imagine that the cost increase can benefit you instead of costing you to drive traffic.

Because you now own that traffic stream, you benefit by those pay-per-click rates getting more expensive as more advertisers come in. You get paid more revenue for every single click. It's a beautiful thing.

Shawn: So one way to make money is to park my domain. How else can I make money?

Matt: One of the things a lot of people do, and I certainly have done this myself, is take a domain that has really targeted traffic and point that to an existing website.

I do a lot of things to promote my websites. I do everything from search engine optimization to pay-per-click marketing to email marketing and so forth.

In addition to that, I acquire domains that are highly targeted. They're specifically related to the exact categories of particular websites. I just point that targeted traffic stream to an existing site, just like I would point it to a parking provider. The traffic is highly targeted and converts really well.

If you buy the domains right, meaning they're related to your existing website, they can be really effective.

Shawn: You're saying, for example, you buy a domain that was built or has keywords around jewelry. You've got a site that sells jewelry or has jewelry affiliate links, or affiliate or AdSense ads on it. You set it up so

when someone goes to that domain, instead of going to what used to be there, they now just show up on your jewelry site.

Matt: Exactly. Let me give a specific example. I have a foreclosure-oriented website where I publish, for free, the foreclosures throughout the United States. I buy domains that are related to the terms “foreclosure” or “real estate investment,” or other specific keywords that would be related to that category.

One of the domains I bought was ReviewForeclosures.com. It has good quality links from other websites that have high Google PR and are highly trafficked. Those links from the other websites produce a steady stream of visitors to the ReviewForeclosures.com site.

It would be challenging for me to get links on these sites, to contact all of these high quality sites who get a lot targeted traffic and say, “Hey will you give me a link?” If I could convince them to do it, it would take me a lot of time. Whereas I can buy that domain for \$60, get all those links right away and point all that traffic to my existing foreclosure site.

A lot of people say, “Is it good to do that?” In my mind, it’s very good. It’s a total win/win. The visitors would be going to “Page cannot be displayed” otherwise. They’d be going nowhere.

If you’re showing them content that’s relevant to what they’re looking for, how can that be anything other than a benefit for everybody?

Shawn: I agree with that. They’re looking for information on certain things and you’re making it available by showing them the kind of stuff they’re looking for.

Matt: It’s better for them than going to a dead-end site. I do think it’s important that you don’t buy domains that are unrelated to your category just because you want traffic. I know people do that.

The benefit is in buying really highly targeted traffic and pointing that traffic to your existing website. Your cost per visitor ends up being incredibly low compared to AdWords advertising or something like that where you pay per click. You might pay \$1, \$2, \$3, or even much more for a single click.

With this. you pay \$60 for the domain and you get all the clicks for free year after year.

Shawn: I don't have the specific test results available, but I know that search engine-generated traffic from the free listings in search engines is better than pay-per-click traffic. That's recognized as true based upon a lot of testing myself and other people have done.

You know the traffic that's coming in off of links or old search engine rankings is going to be better than if we did just buy pay-per-click ads.

Matt: Yes, I can tell that by my stats. The foreclosure site is free, so I'm not really measuring conversions on that site. But the amount of page views per visitor that comes from those domains is much higher than the amount of page views from the people who come from pay-per-click.

If you want to figure out which group is more relevant, it sure seems like the group that is coming from the domains is more relevant because they're spending more time on the site. They're viewing more pages and seeing more ads than people who come from the pay-per-click ads.

Shawn: I think that's absolutely true.

So I could be getting 50 pay-per-click visitors a month from this domain I bought. Instead, I'm getting 50 people a month all year long, which is about 600 people this year. That's like \$.10 a visitor if I pay \$60 for the domain, and they're even more valuable than if they were pay-per-click. That's like the bargain traffic of a lifetime.

Matt: It's commonly expected by anybody in this industry that these domains will lose their traffic over the years.

Let's say the first month you have it, it produces 50 visitors. People would expect that the next month it would produce 48 visitors, then 40, then 35. The traffic would continually go down.

That may be true over a long time, but I've been measuring it myself with the domains that I've acquired for six months. I did a case study where I randomly picked five domains in my parked portfolio.

All of those domains had the same number of visitors or more than they had in the first month. Maybe they're an anomaly and maybe it changes, but that was the most surprising detail that I found.

The common thinking is that these domains end up going bad. It's a short-term thing and you don't get your money out if. I found the exact opposite to be true.

The third way people make money with this is by flipping. Everybody's seen the real estate infomercials. They're talking about buying a house for really cheap, turning it around, and then getting another buyer to pay you \$20,000 more than what you paid.

The key to making those deals work is buying the properties under value. If you buy them under value, then the marketplace will buy them at a fair price.

Go to the secondary market and locate the valuable ones within the thousands and tens of thousands of domains that are expiring everyday. You acquire those domains well below their market value. Then, you can go into the more public secondary market and sell them.

There are websites devoted to these marketplaces where you can sell domains. Basically, you buy these domains cheap and then turn around and sell them and make hundreds or thousands of dollars in between.

Recently, I talked to Rick Schwartz. Rick is the legend in this space. He's the guy I mentioned that's making \$2,000,000 a year in passive income.

I asked him, "If you were getting involved with this today, what would you be doing?" He said, "If I had no money, like I had no money when I got into this before, that's what I would do. I'd be going in and buying domains for really cheap and turning around and flipping them, making \$500 to \$1,000 a pop."

Shawn: Let's do a quick recap of the three ways we can make money with these domains:

1) We can just buy them and park them. Then, every month we get a check.

2) We could buy them to feed into existing websites we have. Traffic would come into the sites and we would make money whether we're selling products, acting as an affiliate for someone else, or getting money off contextual advertising like AdSense.

3) We could simply sell the domain we bought undervalued for the fair market value. We could potentially make a lot more than \$60 by selling that domain if we bought it right.

Matt: That's right. Through one example I can give you details on things like how you pick domains, how you determine what the fair market value is, what people will pay for these domains in the aftermarket and so forth.

I acquired a domain called BlindPay.com for \$60. BlindPay.com was actually a financial site at one time, dealing in mortgages and things like that. I took that domain and parked it like I do with all my domains. At least initially, I park them all. All the visitors come in, and all the revenue comes in.

I bought it for \$60. The first month, I made \$180 in revenue. The second month, I did just shy of \$300 in revenue. The third month, I did over \$300. Ever since then, it has stayed around \$320 to \$330 mark. I've had it for seven months.

I bought this for \$60, and there's nothing special about what I did with it. I pointed it to one of those parking providers and they did the rest.

This is an example of one that I was talking about earlier, where the actual traffic to this domain increased between month one and month seven. That is a startling fact.

This domain went from being an unknown commodity as BlindPay.com. Its worth was questionable. I was able to determine, based upon the research that I did, that it was certainly worth at least \$60. That was obvious.

When I back ordered it and got it for \$60, I thought it would work out for me. Now, it has a track record of revenue. This track record of revenue makes it appealing to anybody who has capital and is trying to get a return on an investment.

I could take that domain into other marketplaces. There are some forums where you can sell these things. There are also some big companies like those that Perot Investments and Howard Shultz have invested in that have a lot of money and are trying to put it to work. They buy these domains that have the proven track record.

Now, I know it's making well over \$300 a month. That ends up being about \$3,600 a year in earnings. The multiple starts at three, meaning people will buy domains for three times their revenue. The highest I've seen is nine times revenue.

If you take it at the low end, three times revenue, this \$60 domain could be sold in the open market for \$10,800. If I was a buyer and a flipper, I could pick up quick cash.

I'm interested in passive income. Rick Schwartz is my hero. He makes \$2 million a year in passive income. Literally, all he has to do is take his check to the bank. Not all the parking companies will deposit it directly into your bank for you.

Shawn: So sometimes he's forced to get in his car and go to the bank? Of course, he could afford to hire somebody to go to the bank for him.

Matt: He could, but I don't think he's a big fan of employees. In this business, you don't need them. That's a beautiful thing.

I know a lot of people who are restrained by income. It's a big deal that you can buy a domain, then turn it around and sell it for a substantial amount of money. Maybe it's not \$10,800.

You could have a domain that's earning \$20 a month.

Shawn: Let's do the math on that. What would happen if I bought and parked a domain passively for a month? Now, I can show it made \$20 the first month.

Matt: Personally, I would keep it for two months because of the optimization of these parking companies. It's always worth more the second month. The

more you can show its worth by it optimizing through the second month, the more you're going to be able to ask for the domain.

Even if you park it for three months and it averages out \$20 a month, take \$20 a month times 12 months. That's \$240. Multiplied by three, \$720.

Shawn: I buy this domain for \$60. I park it, which costs me no money. In fact, they give me back \$20 a month on average. That's my \$60 back. Then I could turn around and sell that domain and get \$720 for it, which is 12 times what I paid for it.

That means I could get all my money back and get a 1,200% profit three or four months after doing this.

Matt: Yes. The important thing is to understand why someone would pay you \$720 for that domain.

Shawn: Why would someone pay me \$720 for that domain?

Matt: If they pay you \$720 for that domain, they could earn \$240 a year from it. They're going to get a 30% return on their money. If you invested that money in the stock market, there's no such thing as a 30% return. That's the key. That's the reason why someone would pay for that.

If there's reason to believe that the traffic and revenue will continue, and could in fact get better through the increase in pay-per-clicks and the increase in the cost per click, which is happening naturally, there's nothing you can do to stop it.

It's a smart investment for somebody who has the cash to be able to put it to work and buy a domain.

I've bought a lot of domains that I paid more than three times their worth. There were several domains I've paid five and six times on because I like the revenue stream.

Shawn: Let's look at this from a serious perspective. Let's say I buy this domain. I pay \$720 for it today. Next year, I get \$240 back. I've made 33% on my money.

At the end of next year, you could reasonably say that domain is still worth \$720. Maybe more. If the traffic stays the same and the cost of a click goes up as advertising money flows into the Internet, and we know that every year billions more are flowing into the Internet, then that domain might earn \$300 next year.

I not only made more money, but the domain went up in value. At the end of next year, I might have made \$300 more and could sell the domain for \$900, three times those earnings. So I made \$240 in the first year and \$300 in the second year for a total of \$540. I made \$480 profit from parking after I deduct the \$60 I paid. I've just made huge numbers. Then, I add in the \$900 sales price for a total profit of \$1,440! That's a 2,400% return on my \$60 investment... like multiplying my money 24 times in just 2 years!

Matt: The other thing is that the multiple is expanding. Three times annual earnings is the low end. Because there are more buyers and more money trying to acquire these domains, it's pushing the multiple up.

I bought a premium domain that cost \$18,800. At the time, I bought that domain it was a multiple of 3.5. Seven months later, someone offered to buy it from me for \$80,000. The revenue had increased, but that was a multiple of seven.

The multiple difference is another factor. Three is the low end. It does go up from there.

Shawn: As I know, you turned down the \$80,000 offer. Why?

Matt: Because of the path of income it produces. If you make \$1,000 a month or more from a domain right now and it seems to be increasing, why would you give that up? It doesn't make sense.

My goal is passive income. Why wouldn't I give it to my son? That sounds kind of ridiculous, but if it does \$1,000 now, imagine in 15 years what that domain is going to be producing on a monthly basis.

Shawn: The Internet isn't not getting any smaller.

Matt: Whenever you're deeply involved in something, you always think that you missed the good times. We're still in the beginning. This is the beginning of it all.

Shawn: These are the good times.

Matt: This is, but you have to be able to see it, like Rick Schwartz. The difference between Rick Schwartz and 99% of the other people out there is that Rick was able to realize he was in that place and time and take advantage of the opportunities.

At the time, a lot of people called him crazy and stupid and other not-nice names.

Shawn: And now they call him "The King". I guess he gets the last laugh.

Matt, one of the things that I'm reminded about by this is I can't tell you how many times I've driven into a newer area where there's a new mall or something and someone who's older than I am says, "I remember when this was just farmland and you could have bought land for \$500 an acre. Look at the millions of dollars somebody made by selling that farmland to the developer."

I look at these domains and say to myself, "The same thing is beginning to happen." You can buy these things very inexpensively. But as more and more and more development comes in, the prices are going to be driven up.

One day, five or 10 years from now, people are going to look back and say to themselves, "You know, those were the good old days when you could buy those domains cheap."

Matt: I think you're right. The one difference I would say is that the acceleration in this space is so much faster.

Shawn: And your opportunity to invest. Look at these multiples you can make. To buy that farmland, you need a bank loan and many thousands of dollars just to speculate. When you're speculating, you have to pay out of your pocket for that land every month to make the mortgage payment and everything else.

In most of the cases we're talking about, you're putting some money in and getting more money back. It's paying you. It's way more fun.

Matt: Let's think about this for a second. Even if you just park a domain that you paid \$60 for, what does that domain have to earn you in a year or in a day over the course of a year in order to pay for itself? These are pathetically low numbers.

Shawn: Like 20 cents?

Matt: I don't think it's that high. In fact, I think it's more like 16.5 cents a day to break even.

Shawn: Since we paid \$60 to buy the domain, we break even in year one. It would cost us \$8 to renew the domain so we'd make \$52 next year. Two years from now we'd have basically gotten all our money back, even if we could only make 16.5 cents a day. You can pretty much suck at this and not lose money.

But we don't want people to do that. You've developed a plan that somebody could follow to succeed at this and become armed with the accurate knowledge they need to invest in domains with complete confidence.

Matt: It all started with the fact that in order to do this right myself, I had to build a tool that would essentially help me dissect all of these tens of thousands of domains every day and determine, in an automated way, which ones were worthwhile.

That's a really important factor. Because it's so challenging to do that, very few people actually get this picture of what's good and what's not good.

I developed this tool to give myself an advantage. It's been very effective for me. In fact, all the domains that I've talked about today are domains that I acquired using this tool.

I decided that it makes sense to give other people access to this tool.

The problem is that very few people have enough understanding of the marketplace and how it all works to be able to take advantage of it. There's nobody out there explaining how it works and saying, "This is good and that's bad," or "If you do this, you're really going to regret it," or "If you do this, it'll work for you for sure." That information just isn't available.

I put everything that I've learned over the past 16 or 18 months as clearly as I could and tried to condense it into a step-by-step course of online video tutorials so that people could get up to speed very, very quickly on the opportunities that are present here.

The course – called "Domain Profiteer" – gives you everything you to get started right away in the domain business. You'll quickly and easily understand how to find, analyze and make huge profits from these domains just like I do.

In fact, I guarantee that anyone can use and understand this system to get their first valuable domain in just 10 days even if you no idea right now how this all works. If you don't think I deliver on the promise, then I'll return 100% of your money upon your request.

I've made this easy for anyone, regardless of their current background, education or prior online success, to get started right away.

You'll even get to hear a private interview the Domain King – Rick Schwartz – as he explains how he makes \$2,000,000 in this business and what he would be doing right now if he was just starting out!

[Click Here Now To Get All The Inside Info On Cashing In Big!](#)

And please don't be one of the people that looks at this and makes the mistake of thinking that it's too late to get started. NOW is the best time to get started. In just a couple of years, people will be looking back fondly at this year and talking about how they wish they had gotten started years ago – back in the good ol' days.

That's because these are the good ol' days. The time is now to take advantage of the Internet's best kept money-making secret.

[Click Here Now To Join The Savvy Few Who Are Raking In Huge Profits](#)

This may truly be the last chance for the little guy to strike it big on the Internet starting with just a few dollars. In all my years on the Internet making millions of dollars, I've never even seen anything come close to this. That's I spent most of 16 months being completely focused on learning this business inside and out.

I've made pretty much every mistake imaginable as I'll show you in the Domain Profiteer course. You're going to get the benefit of my mistakes so you can avoid wasting your time and money on them. All you'll do is just follow my straightforward step-by-step system to quickly and easily find the hugely profitable domains.

[Click Here To Grab Your Share Of The Domain Riches!](#)

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