

EXHIBIT 128

Subject: Distribution Notes 2005/02/01

From: Rodney Hook <rod@direct-revenue.com>

Date: Thu, 03 Feb 2005 11:49:14 -0500

To: chris@direct-revenue.com, mia@direct-revenue.com, wmler@direct-revenue.com, Alan Murray <alan@direct-revenue.com>, "Daniel Doman" <ddoman@direct-revenue.com>, Joshua <Joshua@direct-revenue.com>, dkaufman@direct-revenue.com, Raffi@direct-revenue.com, Michael Hannon <mhannon@direct-revenue.com>

The Drop in the US audience is proceeding faster than anticipated. The footprint report shows that we are down a full 3.5% from last week. I don't see any indication of data issues in the cross check data, so I believe it.

The Drop in INTL audience was 3.3% from last week. Slightly better than the drop from a week ago.

Based on the uninstall numbers we saw from morpheus yesterday, I think we need to continue to distribute a healthy chunk of unbranded clients... right now the vast bulk of our new acquisitions are branded, and I think that we simply don't have the data flows in place to realize what that is doing to us. I can't rationalize why morpheus appears to do so well on the Weekly Churn reports, while they have such high opt out rates. The total morpheus audience has dropped by 12% in a week, instead of growing by 10% like it normally was doing. No pollers no stubbies and easy opt out.... This really won't affect revenue much at all because the morpheus users make less than half the revenue of a normal user due to the fact we don't show them many ads.

We saw about 5000 users install the new Ceres 0.12.4.74 hardened adclient yesterday, so it's really rolled out now. Once we install it on new desktops for a couple days and verify that it's really doing what we think it should we can get synchronizer to issue upgrades to the 0.12.4.69 users so they can shoot torpedoes, install stubbies, etc.

We switched one of the Recovery channels (1|100) to recover to dlmax.dll yesterday. and it looks perfect. tomorrow we will probably switch the big one 1|200 to dlmax.

The new version of thinserver went up yesterday around 4PM. There is a lot of additional data available to try to diagnose what's going on inside adclient registries. I'm hoping to find some magic bullets in there.

New installs were up a little bit yesterday thanks to iDownload picking up the pace. They are bringing in around 8000 users per day now up from 3000 on Monday. There seems to be a lot of breakage in this distribution right now that needs to be looked at. We are still far below last week and where we need to be to grow.

NEW_20050126	NEW_20050202	DIFF
79064	54213	-24851

Further analysis is difficult due to some database issues going on right now with my01. plus I'm sick guess it's my turn.