EXHIBIT 38
Subject: Re: FW: [Daily Revenue Report] - 01/14/2005 (HTML)
From: Joshua Engroff <jengrof@direct-revenue.com>
Date: Mon, 17 Jan 2005 13:49:53 -0500 (EST)
To: Chris Dowhan <chris@direct-revenue.com>, dan@direct-revenue.com, josh@direct-revenue.com,
      alan@direct-revenue.com, dan@dcip.net, raffi@direct-revenue.com

Camp

As most of you know, there has been a long-running debate about Software
Online, and the decision each time has been to shut them down (the
latest reason was that they're a potential distribution partner). Software
Online is a huge spender and have been running their ads for a
long time on our network. They've also through Nathan's QA clean each
time we've looked at them—which doesn't mean they couldn't do bad
things down the road, of course.

I will turn them off if that's the verdict. But just know that this will
be an additional $3-3.5k daily loss during a period of relatively low
revenue and a user base that continues to shrink week over week (of
course, so could be part of that problem, but no one has confirmed
that).

How about starting with having them remove that exit pop? Again, the
reason we haven't done this already is that I was told they might be a
distribution partner—not sure if that's still the case.

Josta
On Jan 17, 2005 01:15 PM, Chris Dowhan <chris@direct-revenue.com> wrote:

----- Original Message -----
From: "Daniel Donan" <chris@direct-revenue.com>
To: "Rodney Book" <raffido@direct-revenue.com>, "Chris Dowhan"
        chris@direct-revenue.com
Cc: "Douglas Abrams" <chris@direct-revenue.com>, "Mis Rimmen"
        chris@direct-revenue.com, "Alan Murray"
        amurray@direct-revenue.com; "Wendy Miller" <smillerr@direct-revenue.com>, "Daniel Donan"
        chris@direct-revenue.com; "Dan Hoch" <dhoch@direct-revenue.com>, "Raffi Minassian"
        raffido@direct-revenue.com
Date: Monday, January 17, 2005 11:57 AM
Subject: Re: FW: [Daily Revenue Report] - 01/14/2005 (HTML)

I am utterly speechless. And right. These campaigns should be
turned off ASAP. We should never run this sort of thing.

- Dan

----- Original Message ----- 
From: Rodney Book <raffido@direct-revenue.com>
Due to the increased paranoia caused by Software online, respawn and various other square sweepers campaign, I think we should tell users to get rid of them. Even if they are ten per day accounts, their purpose is to make users paranoid. And they certainly make us paranoid, and there's no way to measure their effect on our user base.

I see at least two per day at well and it leaves a couple of annoying e-mail pops.

If we get rid of them, we don't have to keep wondering and talking about them.

Using simple undeniable logic, telling users a few times per day that they have appeared on their machine can be making things better, so it has to be making things worse.

And

Chris N-bohan wrote:

I think the seasonal surges may be driving some of it, but here are the issues that collectively keep me up at night:

1) CSS issues that negatively impact the game.

2) Server issues that collectively keep me up at night.

3) Compete in competitive shooting, we probably recover fairly often with little

and then get shot again, and wait 24 hours before another recovery.

I think this is happening more often and reducing check-in rates while we are.

4) Client. There are 3 ways to shut this out of this cycle:

a) Shut the client down - may work for a short while but not a

b) Shut the shooters - we just haven't been able to do this well

and enough

c) MAKE THE AD CLIENT TRIGGER - I think the "hardcoded ad client" is our
best choice at a mid-term to long-term solution to chaos. If it is harder to kill, we should be able to avoid the long dormant periods built into our current recovery method.

2) INCREASE IN MYCUTUNES OPT-OUTS - we have an add/remove program entry now for all new distribution, Guadalupe (smalldread brand) and Polyphonic (Chess brand) distribution both show that between 6% and 7% of desktops try to acquire have already been through MyCutunes so we leave them alone.

This may not be average across all distribution, but it implies a rising user-driven opt-out. In addition to having easier access to opt-out, my user experience has changed lately.

a) I come back to my computer after no surfing activity and often see 5 stacked on top of each other. That never used to happen.

b) 2 times while writing this e-mail I got the Ad that has the &apos;search.doc.exe download attempt which is tacked to the back of ads by SoftwareOnLine (1)

c) Once per day I see a modal pop for &apos;Advanced IM Elih Elih&apos; asking me to reboot my computer. This is a side affect of our torpedo.

d) I have a screenshot attached of a therapist that was pulled by one of our stutters after I rebooted that opened a DOD window that didn&apos;t close.

e) It&apos;s own - it seemed to do nothing. (THese THings MIGHT BE INCREASING A USER&apos; S NEED TO GET US OFF THE machine.

Are we tracking the volume of myCutunes activity, and the referrals by see where it comes from?

3) NETWORK ISSUES affecting downloads and possibly checkins.

operation, but since I’m seeing some apps block our communication to download.betterinternet.com, I would not be surprised if competitors/anti-pop-up apps would try to block our synchronizer checkin domain on 3Ps. This could be done after download/install at any time in the life of an ad client by an individual or a network admin.

----- Original Message -----
We had above normal new counts for 2-3 days last week but we were already shrinking at 2% rate. So it just made us shrink at 1% rate for a couple days, now we are back to a 2-3% per week shrinkage rate as our new user acquisitions are right back where they were a week ago. Sunday over Sunday, we are off by 3.2% (might be holiday weekend).

Part of what was keeping us flat last week was the return of college students and since we are not going to get any seasonable surge this week, I think this week we can expect even bigger drops in the user counts unless something changes. I'm projecting we will probably expect 3% under last week when we see today's numbers.

MSN kicked in kicking in a lot of new desktops (UGS 6.3K Intel), but our other distributors (TOM in particular) have all tapered way off this week.

Our new desktops yesterday was 27.8K US 19.9K Intel.
Our new desktops last Sunday was 39.0K US 16.8 Intel.

So we have not really changed our downward trend. We are in the same boat we were in last week, except now we have a different list of partners in the top.

MSN seems to be tapering off fast so. unless something changes in next few days we are going to see even bigger week over week shrinkage in the user base.

Here's the trend on MSN this week. not a very encouraging trend in the current numbers.
Joshua Abram wrote:

Anyone have a theory about Friday's large drop in checkins after a week of distribution actually going up a bit?

From: dailyreport-bounce@rijina.com
to: Daily Revenue Report Recipients

Subject: [Daily Revenue Report] - 01/14/2005 (HTML)

Friday, January 14, 2005

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<th>Total Rev</th>
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6/23/05 11:09 AM

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