EXHIBIT 118

Subject: Re: 50 issues....
From: Rodney Hook <rod@direct-revenue.com>
Date: Fri, 05 Mar 2004 10:12:01 -0500
To: Alan Murray <alan@direct-revenue.com>
CC: dan@dkcp.net, "'Joshua Abram'" <josh@direct-revenue.com>, "'dan'"
<dan@direct-revenue.com>, chris@direct-revenue.com, rachel@direct-revenue.com

overview of yesterday.   We had several significant unexpected problems that we
were able to baby sit and we lost very little revenue as a result of focus on
numbers.   We are very lucky to put the good numbers on the board that we did.
it was by the skin of our teeth.

9AM Thinstaller servers became overloaded as machines running stub installers
checked in and caused a 3x sudden spike at same time as daily thinstall reports
were running.   Manual intervention was required in order to get our outbound
distribution unstuck.   This is a result of trying to recycle users that have
broken adclients but still have working stubs (Item 13 which has no active focus as
of yesterday) As of this morning we have stopped this effort until more equipment
is configured at peer1 which is item 14B and has a lot of active focus and is
waiting on a $100 PDU that we ordered but got left off the vendors checklist.

4PM an unexpected memory limitation in quicksand was hit as we added way more
creatives than we have had before and all the appservers were unable to load memory
from the database.   luckily we had them programed to run with the previous hours
data whenever this happened. and we were able to keep serving traffic.   It took
2hours of intense jeremey focus to get this corrected and we are very lucky that we
did not lose an entire hour of impressions $5000.

5PM A request from new york came down to openworld asking chad to go slide out all
our servers and find serial numbers on them.   He unplugged the primary NFS server
and everything hung for several minutes and people had to scramble to get a lot of
stuff going again.   I am unsure where this request came from, but he said it was
josh.   Tom made a flight down there a couple weeks ago and came back with all the
serial numbers. Maybe they were just needing them crosschecked.   Charts were out of
whack until 7PM and several people had their hands full.

7PM Syncronizer became overloaded and died at QX and manual intervention was
required by Aash in order to make it keep making decisiions so ads could keep
flowing.
7PM crazy insane spike in thinstaller traffic came out of nowhere and saturated the
servers again.   required constant supervision by brady for a couple hours to make
sure distribution kept going out.   We think it was standard internet but the db
is too choked to tell us.

Alan Murray wrote:

> Rod,
>
> Attached is the spread sheet updated with our triage meeting yesterday with
> Chris.
>
> Here is a paraphrase of our "state of the union"
>
> "We have 20 issues identified that have GREATER THAN 15% chance to cause a
> 30% BLIP OR MORE in a daily revenue. We have classed these issues as Eight
> Week Stability Issues.
>
> To work these issues down (to about 5) over the next 2 weeks will require
> incredible focus on the part of Rod, Chris, Jeremy, Jerry, Brady, Aash, and
> Matt.

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ANYTHING that diverts attention from these 20 will place the revenue line at undue risk.

Alan

PS. Rod/Chris please pass along any amendment to this as you might think appropriate.

PSS. Rod - I will get back to my portion of the list just as soon as you and Jerry work out the firewall details for Insight Ventures:)
Kidding...kicking...stop the madness.

-----Original Message-----
From: Daniel Kaufman [mailto:dan@dkcp.net] Sent: Wednesday, March 03, 2004 5:17 PM
To: 'Rodney Hook'; 'Alan'; 'Joshua Abram'; 'dan'
Subject: RE: 50 issues....

This list was extremely helpful Rod.
If we weren't already on the same page in terms of "project coast" I'm sure we are now. Unfortunately, "coast" was a completely inaccurate term. Alan - please check with me before adding any items to rod's list from the investors. I don't mind telling them that they simply have to wait before doing any diligence that requires tech resources.

-----Original Message-----
From: Rodney Hook [mailto:rod@direct-revenue.com] Sent: Wednesday, March 03, 2004 4:29 PM
To: Alan; Joshua Abram; dan
Subject: 50 issues....

I took a few hours this afternoon to core dump all my notes into one list of around 50 items. some items are small, most are not. I think there are a lot of really important non-obvious issues that you guys need to be aware of. They are all at the top.

I'm doing my best to say no to people but unfortunately I'm too good at saying yes..   But when we say yes to one thing it slows down all these other things. I'm trying to start whacking at this list and deciding what is not going to happen in the short term and which things have got to happen to continue our new expanded rate of growth.

Note that there are no investor related items in here yet.   so you guys are doing a good job so far on that and I really appreciate it.

Non-Obvious Emergency Attention issues ===========================
w9 Sync Log Processing is getting abnormally slow.   adclient checkins are 7 hours behind and getting worse.. Mysql Requires at least monthly sorts of the TRANSPONDER table in order to keep up the speed.   We're hitting record days that have driven us past the magic threshold where we can't process fast enough.   Continued growth will make this worse.
    get the TRANSPONDER Table sorted ASAP (Aash in progress)
    define all processing that goes on with w9.
    convert this processing to oracle (probably 100 manhours focus)

We are growing faster than we have ever grown before and we are suddenly losing syncronizer stability. We are having at least 2 syncronizer meltdowns per day at this point where manual intervention is required to straighten it out.   This

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will definitely cause lost revenue soon.   Load on syncronizer servers and
quicksand servers is increasing. need to add capacity at QX
    need to use sync sample to analyze "useless" checkins... ron domains,
non-monetizable countries, etc.
    spec and buy bladecenter hardware from jonathan ASAP
    Install jerry's existing bladecenter at QX

XP Service Pack 2 comes out in a few weeks and we don't know what it looks
like. Out in california, our partners in every meeting discussed this service
pack for at least 5-10 minutes. Exposes all Browser Helper Objects to the
user, but we don't know defaults, or what anythign looks like.
    Chris has engaged Kanda to tell us. REALLY NEED TO KNOW THIS

70% of our clients only communicate on the abetterinternet.com domain name.
Also, 100% of outbound distribution relies on this domain being up and
working.   If this domain is hijacked or disabled by the registrar (like
happened to cliks.org) we will be utterly screwed and revenue will drop by
70%.   the Telephone number listed does not work and I'm not sure who checks
the email for it. BetterInternet   Reg Services   PO Box 50729
Henderson, NV 89016   US   Phone: 888-813-1230   Email:
bizdev@thecompany.com
    need to verify that people pay attention to complaints on this domain
    need to start transitioning these users to new clients (mxtarget maybe)
    need to deploy new stubs that talk on different domain name.

We are Losing INSANE number of users to Add/Remove programs every day. We need
to get rid of Add/Remove programs. we have started sending out special
uninstall inf that hits a web page after obliterating us over last couple weeks
and its showing over 3000 uninstalls per day, just on the few hundred thousand
users that have gone out with this. I think we would be seeing over 40000-50000
uninstalls per day if we were tracking in on all users. Add/Remove programs
needs to GO.   Can We send out upgrades the remove it?
    Get OK from partners to remove A/R program entries ASAP

UPS problems at openworld is causing spontaneous reboots of 8 machines.   Twice
in last 2 weeks.   If it happens at wrong time, we will lose lots of money if we
are slow to respond.
    get them to buy replace UPS, or switch us to non-UPS power.   get moved
upstairs (only after QX advertising capacity is increased)

There is no hot spare db for Quicksand. if w8 dies, we will lose all outbound
advertising $75K per day, until we repurpose another machine and build it to do
what w8 does, maybe as short as 8 hour outage if our backups really work and
things go smoothly.
    Procure new x335 server ASAP to openworld for hot spare and reporting.
    Research Mysql Replication to keep it in sync.

We don't have a stub installer going out with any of the twaintec distribution.
we are definitely losing users that we cannot re-install on right now.
    We could use an existing one, but it would increase exposure to the
abetterinternet.com domain Hijack
    Zeev is working on getting a new one
    Aash is setting up the new endpoint for it.
    It needs to start getting jammed out ASAP as soon as its ready.

Quicksand Issues:
===============
Quicksand Delivery is losing 4% of all impressions every day according to
keynote. 96% Availabilty consistently.   Not a show stopper, but definitly
leaking revenue.
    Jeremy is focused on taking this up to at least 99%.   Document hourly and
daily jobs
    List all timings, bottlenecks, and impression blocking points

Quicksand Unique US counts are 15% different than syncronizer Unique US

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counts. There could be a huge pile of money laying here that nobody is
watching for. we know that 8% of syncronizer users don't get any ads for
various known reasons, but that still leaves 7% unaccounted for.
 Jeremy is preparing spreadsheet comparing the differences over last 14 days.

Assembler log reporting takes 15 hours to process 24 hours of advertising. We
want to do further analysis into the loss of opportunies and the processing is
completely bottlenecked by the number of rows. In order to visualize cap
hitting better the answers all lie within this data. Need to visualize the
imp/opp ratio hour by hour in each bucket in order to see buckets that have
stupid caps easier. Maybe Oracle can help with this. (freeze till april)

NEW DEVELOPMENT - Quicksand Report quiery screen takes a LONG time to load, and
on a dialup requires over a 2MB download in order to draw. (freeze till april)

Thinstaller Server/Client Issues
==========================
Get Thinstallers going out on all stub checkins and re-installing the adclient
when appropriate. Need to design a way to know that we have already
re-installed once.... how?
 belt.exe has biggest growth potential (at 30% of max till new blades are up
at peer1)
 susp.exe has been enabled as of 03/03
 hst_reco.exe has been enabled as of 03/03 all others were already
enabled, ever since the Traff Recovery efforts.

Load on thinstaller server varies dramatically from 0.2 - 3.0. If this
saturates we will likely lose 80% of all outbound distribution until its fixed.
Could cause unexpected outages in new users coming in.
 split it into front end db and backend db for nightly reports. Tom is
installing and configuring equipment that arrived from focus

Thinstallers are installing adclients over the top of other ones. need to
stop treating every thinstaller as "custom actions"
 need to define some thinstaller templates so we can make some dynamic
decissions

Need a thinstaller from Kanda that is sending in MachineIDs that we plan on
keeping, so we can start logging machine checkins. No Historical data will be
available before this starts going out, so it needs to happen soon.

Thinstaller 20%-30% checkin loss. Our current Banner Distribution method seems
to lose 20%-30% of the total installs going from thinstaller download to
thinstlaler checkin. We are spending $30,000 a day right now, so this loss is
very important.
 Brady should finish this report
x5:/usr/local/blackstone/sql/bsd_pay/thinstall_download_stats.sh

Need to have a Thinstaller Competitor report. Based on all the stub checkin
thinstallers (*_reco.exe) we need to do some daily competitor overlap report,
using the APP_LIST table, the BHO_LIST table, the RUN_LIST table.

THIN_ACTIONS needs to have some flags in it to enable more advanced logging for
certain thin_names.
 LOG_BHO_LIST,LOG_APP_LIST,LOG_RUN_LIST, LOG_RAW_XML

Need to get somebody to set up more regression tests for Thinstaller server.

Why does ThinstallPre_Log$DAY always have more records thatn
ThinstallPre_RAW$DAY tables? 3% difference. might be new users getting lost
here.

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Base  Management Issues
=========================
push out the existing my geek client to more users (easy to do but no progress)
    scared to turn on many or they will complain
    need to notify them more are coming.

specify new  top moxie checkin communications  (no progress)
    Go over with Chris requirements for MachineID
    implement "fair game for re-install" logic based on docs they have sent.
    how do they show daily checkin
    how do they show us redirects so we can drive some revenue numbers

specify mygeek communications for walnut ventures client ( no progress )
    Go over with Chris requirements for MachineID
    how do they show daily checkins
    how do they show touch tracking pixels to drive some revenue numbers

specify requirements for the keyword density client (top moxie to build)  no
progress
    meta tag targetting
    keyword density
    search engine searches
    title targetting
    follow me?
    how does it know the words to target?
    where does it checkin ?
    how does it show daily checkins?
    how do advertisers get put in?   do we use the mygeek system with bidding?

We are being uninstalled by competitors and we do not have the pollers ready to
roll out. (ignore till April)


Distribution Issues
================
Integrate Matts cab building automation into the distrogui so balaji doesn't
have to build cabs anymore.  We were 80% done with xparam.dll that would have
totally shot all this out of the water.  What ever happened to this?   it
totally changes the entire game utterly.

Setup new Endpoints for freephone.cc    get.freephone.cc for Banner Advertising
    tns.freephone.cc for Thinstaller checkins
    ???.freephone.cc for syncronizer checkins


Setup new Endpoints for content4free.org (Adult Distribution)
    www.content4free.org ??  WHERE IS THIS HOSTED nobody knows??
    get.content4free.org for Banner Advertising
    tns.content4free.org for Thinstaller checkins
    ???.content4free.org for syncronizer checkins

Need to get somebody to set up more regression tests for Banner.java to ensure
its working the same way every hour.

Flexible country Daily Billing report for GlobalIP/Lec/Ad.com
    Aash has partial progress,  but is distracted by fires.

People want more distribution reports. Unacceptable group by speed on x5.
upgrade the distrib reporting db to oracle.    define all processes diagram and
show processing times.
    load sample data into oracle, and test group by speeds of slowest processes
    prioritize and plan porting to oracle
    weekly invoicing and payments need attention badly

Taqqu RichFX distribution test.  very custom thinstaller logic, simple to
implement, just takes focus and time, and forces us to do new releases of
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thinstaller code that may or may not destabilize thinstaller servers.

xparam.dll Standard internet affiliate program. we were 80% done, and I've heard nothing for 3 weeks. over 100 Direct Revenue manhours on this not counting kanda manhours.

Syncronizer Issues
================
Continue to get requests for "directory targetting" on travel sites, portals, etc. Major changes to syncronizer that will impact delivery speed, and syncronizer is already hitting the wall. (absolutely have to freeze till april)

Needs another round of jprofiler tuning. (prioritize for aash)

Need to overhaul upgrade management for easier reprioritization of what is going out to who. (freeze till april)

Set up Feed of Quicksand Sections. currently done manually on demand. (lost lots (around $50K at least) over last 30 days)

General Maintenance
==================
Quova will not run at peer1 so we have disabled all country lookups in our distribution efforts
    Quova support is flustered even after logging in
    Aash is calling Vic every day about it
    Tom is configuring a fresh new box to let quova do whatever they want.

s1 the java development environment for all our java code is really old and overloaded. needs to be replaced by 2 machines in different facilities that are mirrored. it is backed up currently, but any crash will absolutely kill us for up to a week.

One of the 2 lvs servers at peer1 is having hardware problems and needs replacing and reloading and reconfiguring

Peer1 has finally got a cabinet ready for us and we will be having a 100% outage of all distribution sometime in the next few days, as we shutdown our bladecenter and drag it across the room and bolt it in the cabinet. Should be no more than a 1 hour outage.

Direct Revenue Office needs a new phone system
Direct Revenue Office Needs a Fileserver so we can actually write documents and share them and find them again later.