EXHIBIT 38

Subject: Re: Fw: FW: [Daily Revenue Report] - 01/14/2005 (HTML)
From: Joshua Engroff <jengroff@direct-revenue.com>
Date: Mon, 17 Jan 2005 13:49:58 -0500 (EST)
To: Chris Dowhan <chris@direct-revenue.com>, dan@direct-revenue.com, josh@direct-revenue.com,
alan@direct-revenue.com, dan@dkcp.net, raffi@direct-revenue.com

Gang-

As most of you know, there has been a long-running debate about Software
Online, and the decision each time has been not 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 Satish'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 $3-5K 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.

Josh

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

> FYI
>
> ----- Original Message -----
> From: "Daniel Doman" <dan@direct-revenue.com>
> To: "Rodney Hook" <rod@direct-revenue.com>; "Chris Dowhan"
> <chris@direct-revenue.com>
> Cc: "Joshua Abram" <josh@direct-revenue.com>; "'Mia Simonsen'"
> <mia@abetterinternet.com>; "'Alan Murray'"
> <amurray@direct-revenue.com>;
> "'Wendy Miller'" <wmiller@direct-revenue.com>; "Daniel Doman"
> <dan@direct-revenue.com>; "Daniel Kaufman" <dan@dkcp.net>; "Raffi
> Minassian"
> <raffi@direct-revenue.com>
> Sent: Monday, January 17, 2005 11:57 AM
> Subject: Re: FW: [Daily Revenue Report] - 01/14/2005 (HTML)
>
>
> > I am utterly speechless. Rod is right. These campaigns should be
> > turned
> off ASAP. We should never run this sort of thing.
> >
> > - dan
> >
> >
> >
> > -----Original Message-----
> > From: Rodney Hook <rod@direct-revenue.com>

Date: Sun, 16 Jan 2005 11:33:53
To:Chris Dowhan <chris@direct-revenue.com>
Cc:Joshua Abram <josh@direct-revenue.com>,   "'Mia Simonsen'"
<mia@abetterinternet.com>,   "'Alan Murray'"
<amurray@direct-revenue.com>,   "'Wendy Miller'"
<wmiller@direct-revenue.com>, dan@direct-revenue.com, dan@dkcp.net
  Subject: Re: FW: [Daily Revenue Report] - 01/14/2005 (HTML)

Due to the increased paranoia caused by Software online, regclean
and
various other spyware sweeper campaigns, I think we should tell
engroff
to get rid of them.   Even if they are $3K per day accounts.   Their
purpose is to make users paranoid. and they certainly make us
paranoid
and there's no way to measure their affect on our user base.

I see at least two per day as well and it leaves a couple of
annoying
exit pops.

If we get rid of them, we dont have to keep wondering and talking
about
them.

Using simple undeniable logic, Telling users a few times per day
that
they have spyware on their machine cant be making churn better, so
it
has to be making churn worse.

Rod

Chris Dowhan 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) CERES SEEING INCREASED CHURN FROM COMPETITORS AND ANTI-ADWARE.
> Ceres
has
> been around long enough to be getting shot at more consistently
> now.
With
> growing competitive shooting, we probably recover fairly often with
poller
> and then get shot again, and wait 24 hours before another recovery.
> I
think
> this is happening more often and reducing checkin rates while we
> are
> dormant.   There are 3 ways to get out of this cycle:
> a) Swap ad client footprints - may work for a short while but not a
> long-term solution
> b) Shoot the shooters - we just haven't been able to do this well
> enough
> c) MAKE THE AD CLIENT TOUGHER - 1 think the "hardened ad client" is
> our

best
bet at a mid- to long-term solution to churn. If it's harder to
kill, we
should be able to avoid the long dormant periods built into our
current
recovery method.

2) INCREASE IN MYPCTUNEUP OPT-OUTS - we have an add/remove programs
entry
now for all new distribution. Morpheus (solidpeer brand) and
Holystic
(Ceres brand) distribution both show that between 6% and 7% of
desktops
we
try to acquire have already gone through MyPCTuneup 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
ads
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
Regclean_oo2.exe download attempt which is tacked to the back of
ads
shown
by SoftwareOnline (?)
c) Once per day I see a modal pop for "Advanced INF blah blah"
asking me
to
reboot my computer. This is a side affect of our torpedos.
d) I have a screenshot attached of a thinstaller that was pulled by
one
of
our stubbies after I rebooted that opened a DOS window that didn't
close
on
it's own - it seemed to do nothing.
...THESE THINGS MUST BE INCREASING A USERS' NEED TO GET US OFF THE
MACHINE.
Are we tracking the volume of MyPCTuneup activity, and the
ReferrerAgent
to
see where it comes from?

3) NETWORK ISSUES affecting downloads and possibly checkins.
Speculation,
but since I'm seeing some apps block our communication to
download.abetterinternet.com, I would not be surprised if
competitors/anti-pop-up apps would try to block our synchronizer
checkin
domains or IPs. 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 -----

From: "Rodney Hook" <rod@direct-revenue.com>
To: "Joshua Abram" <josh@direct-revenue.com>
Cc: "'Chris Dowhan'" <chris@direct-revenue.com>; "'Mia Simonsen'"
<mia@abetterinternet.com>; "'Alan Murray'"
<amurray@direct-revenue.com>;
"'Wendy Miller'" <wmiller@direct-revenue.com>
Sent: Monday, January 17, 2005 9:13 AM
Subject: Re: FW: [Daily Revenue Report] - 01/14/2005 (HTML)

We had above nomal new counts for 2-3 days last week   but we were
already shrinking at 2% rate. so it just made us shrink at 0% 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 3.3% (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 seasonal surges
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 tuesday numbers.

WSW kicked is kicking in a lot of new desktops (9KUS 6.3K Intl),
but
our other distributors (ICMD in particular) have all tapered way
off
this week

our new desktops yesterday was 39.6K US 19.9K INTL
our new desktops last sunday was 39.0K US 16.8 INTL

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 top6.

WSW 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 WSW this week. not a very encouraging trend in
the
NEW columns.

CHECKIN_DATE	TOTAL	US	INTL	NEW	NEW_US	NEW_INTL
2005-01-16	152344	95954	56390	15355	9013	6342
2005-01-15	146435	93724	52711	18477	10959	7518
2005-01-14	155975	99183	56792	28344	16111	12233

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| 2005-01-13 | 149692 | 95928 | 53764 | 68491 | 39791 | 28700 |
| 2005-01-12 |  78904 | 57390 | 21514 | 57383 | 40661 | 16722 |
| 2005-01-11 |  10526 |  8718 |  1808 |  9338 |  7775 |  1563 |
| 2005-01-10 |     13 |    12 |     1 |    13 |    12 |     1 |
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Rod

Joshua Abram wrote:

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

From: dailyreport-bounces@mjinga.com
<dailyreport-bounces@mjinga.com>
To: Daily Revenue Report Recipients <dailyreport@mjinga.com>
Sent: Sun Jan 16 20:07:21 2005
Subject: [Daily Revenue Report] - 01/14/2005 (HTML)

DAILY REVENUE REPORT

Friday, January 14, 2005

            Total Rev   127,199   Per Unit Rev
0.047632   U.S Clients   2,670,406

        Rel Prev Day   95.5%   Rel Prev Day   100.9% Rel Prev
Day   94.6%

        Rel Last Fri   93.7%   Rel Last Fri   93.5% Rel Last
Fri   100.2%

        Rel Avg 4 Fri 108.4%   Rel Avg 4 Fri   97.7% Rel Av
Fri   111.6%

        Rel Record   63.1%   Rel Record   87.1% Rel
Record   45.5%

                        Rel Goal   288.7%
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