

# EXHIBIT 40

Re: We've got to do something here

Subject: Re: We've got to do something here

From: rod hook <rod@direct-revenue.com>

Date: Mon, 07 Mar 2005 22:31:48 -0500

To: jengroff@direct-revenue.com

CC: "Joe Szumaski" <joe@sohodigital.net>, jesse@sohodigital.net, "Wayne Chavez" <wayne@sohodigital.net>, "Paul Nute" <paul@sohodigital.net>, "Gisella Walter" <gisella@sohodigital.net>, Bill@sohodigital.net, "Best Offers" <joshua@direct-revenue.com>, "Best Offers" <alan@direct-revenue.com>, "Dan Kaufman" <daniel@direct-revenue.com>, Rodney@direct-revenue.com, "Michael Goefron" <mike@direct-revenue.com>, "Andrew Pancer" <andrew@direct-revenue.com>

I can see from the number of impressions per hour in TGT and RON that we always get a huge spike at hour 00 EST when the day changes. this means in hours 21,22,23 EST there are a bunch of people online that are not getting the same campaigns that start up again in hour 00.

if we are looking for fresh users, we might be able to take some of the stale campaigns that we suspect of fatigue and day part them such that they start up at 4pm EST or so. they might hit different users than they are hitting now and get better conversions.

This wont apply to all campaigns, but I bet we have some that do big volume for only a few hours in the morning and then hit their daily caps and turn off.

Josh Engroff wrote:

Joe,

Thanks, I know it's challenging and that you guys are doing everything you can. We just need to be even more creative than usual until those checkins start doing something other than going down every day. There are some great things coming out of tech this month, and so I am hoping we are nearing the turn-around point.

Thanks.

Josh

-----Original Message-----

From: Joe Szumaski [<mailto:joe@sohodigital.net>]

Sent: Monday, March 07, 2005 12:39 PM

To: jengroff@direct-revenue.com; jesse@sohodigital.net; 'Wayne Chavez'; 'Paul Nute'; 'Gisella Walter'; Bill@sohodigital.net

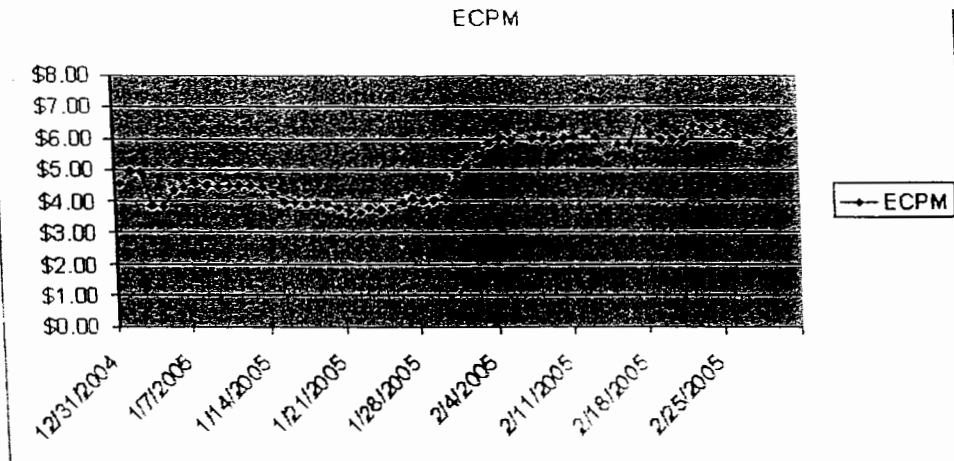
Cc: 'Best Offers'; 'Best Offers'; 'Dan Kaufman'; Rodney@direct-revenue.com; 'Michael Goefron'; 'Andrew Pancer'

Subject: RE: We've got to do something here

Thanks for this info but as you know we currently monitor 'delivery rate' for all campaigns on a daily basis and make adjustments by adding traffic wherever and whenever possible. While it's easy to point to campaigns and say we're missing revenue there are often reasons that we're not hitting these caps (min. delay, wish lists, client pain tolerance, lack of targeted inventory etc). Our team is incorporating all available optimization techniques, as you mentioned, to try to increase revenue and we will get even more aggressive this week...

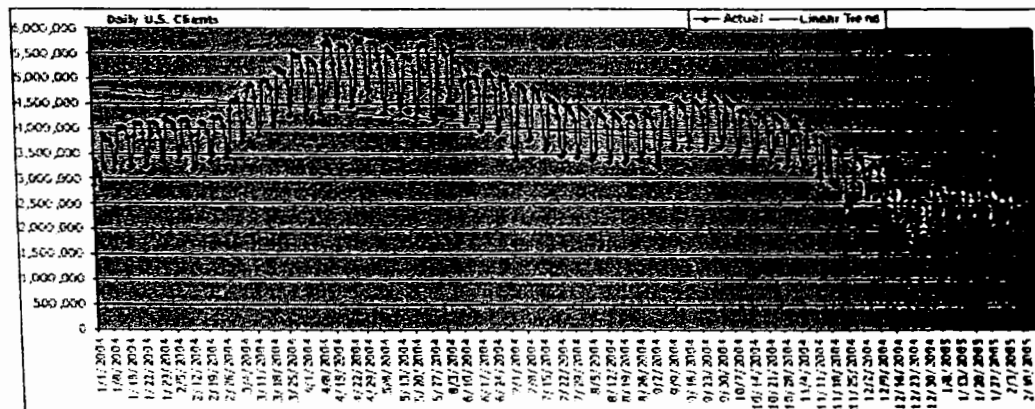
We're already pushing hard on clients by diluting their traffic and raising prices to maintain revenue, as a result we're more efficient than ever with the inventory provided, check out our ECPM's:

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Our decreasing revenue problems are mainly a function of our declining daily check in # and an inability to meet the unique daily volume demand of our clients. In addition we've recently lost several large campaigns and our total # of campaigns has declined due to performance issues as a result of user base fatigue.

There is simply not enough fresh unique daily inventory (targeted and RON) to meet the demand of clients:



-----Original Message-----

From: Josh Engroff [mailto:jengroff@direct-revenue.com]  
Sent: Monday, March 07, 2005 11:30 AM  
To: jesse@schodigital.net; 'Wayne Chavez'; 'Paul Nute'; 'Joe Szumaski'; 'Gisella Walter'; Bill@schodigital.net  
Cc: 'Best Offers'; 'Best Offers'; 'Dan Kaufman'; Rodney@direct-revenue.com; 'Michael Goefron'; 'Andrew Pancer'  
Subject: RE: We've got to do something here  
Importance: High

Guys,

One of the first places to look for lost revenue is at current,

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under-delivering Soho campaigns. I've attached a spreadsheet showing the details of these campaigns (using 3/3/04 as the example). Column E shows the daily under-delivery, and Column G calculates how much revenue was lost by each campaign not hitting its daily IMP cap (the sheet is sorted in descending order with the biggest revenue opps at the top).

The total \$ amount adds up to a whopping \$23,000 in missed daily revenue.

About \$6K of this comes from the obvious under-deliverers like Software Online, Spam Extract, and MemTurbo. I think we've all agreed that these are not the most desirable campaigns in the world, but that we are going to max the hell out of them during March and April. The other \$17K is spread across many campaigns and so not as individually noticeable as the three mentioned above.

Whatever you can do to make sure every Soho campaign is burning at its daily cap is going to be a huge help. I know it won't be possible in all cases, but we need to be as creative as possible--increasing freq caps where we can, adding FME targeting everywhere possible, and trying to integrate undersold TGT categories where feasible.

FME can be instrumental in accomplishing the above, since FME is both under-sold and has low CPMs. See attached spreadsheet showing FME categories and their CPMs--there are no fewer than 17 FME buckets with an average cpm below \$3, including some unexpected ones like Travel\_General, Finance\_General and Cars\_General. We need to be aggressive in adding the relevant FME sections to every TGT campaign possible, taking into consideration individual client pain thresholds, and in charging as much as possible for FME campaigns, especially in popular buckets like Finance and Travel.

The 3rd spreadsheet shows all of the undersold TGT categories, and is excerpted from the Assembler report, which everyone on this email should be getting on a daily basis. Whatever you can do to add these categories to current campaigns, and/or book a bottom-feeder client who's willing to take all this traffic at some discounted rate, would be much appreciated.

Let me know if you have any questions about the above or the attached.

Thanks.

Josh

-----Original Message-----

From: Jesse Stein [<mailto:jesse@tmo.blackberry.net>]

Sent: Sunday, March 06, 2005 12:15 PM

To: Wayne Chavez; Paul Nute; Joe Szumaski; Gisella Walter; [Bill@schodigital.net](mailto:Bill@schodigital.net)

Cc: Best Offers; Josh Engroff; Best Offers; Dan Kaufman; [Rodney@direct-revenue.com](mailto:Rodney@direct-revenue.com)

Re: We've got to do something here

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Wayne, paul, gisella, bill, joe-

Tgt and follow-me revs yesterday were down \$13k from week previous. This is seriously concerning. We need to meet on monday and put together a plan to dig our way out fast.

One of the options we must consider at this point is opening the field up to other resellers.

Let's plan on meeting first thing monday morning.

Take a look:

yea there was an outage during 6AM-7AM... around \$3900 loss there. overall we were down \$16K so the outage is not the only reason revenues are down 14%. \$7K loss in targetted and \$6K loss in Followme. users only down by 2% from last week.

Sent via my BlackBerry wireless handheld.

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