

# EXHIBIT 78

Re: BetterInternet Trashed

Subject: Re: BetterInternet Trashed

From: Joshua Abram <josh@direct-revenue.com>

Date: Tue, 02 Mar 2004 10:24:36 -0500

To: dan@dkcp.net

CC: "Dowhan Chris" <chris\_dowhan@hotmail.com>, "Alan Murray" <alan@direct-revenue.com>

We haven't "done" anything. It's complete crap.

This is media that we're buying, I think through Maxonline, which requires the consumer to mouse-over the creative to pop the Active X.

Possibly someone might leave their browser on a page with low security setting on their machine causing us to automatically download while we're away.

This is a pain in the ass though. I've already heard from two distributors saying they wanted to pull out---this on the eve of diligence calls.

J

Daniel Kaufman wrote:

don't gator and whenu do the same thing?

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

From: Joshua Abram [<mailto:josh@direct-revenue.com>]

Sent: Tuesday, March 02, 2004 9:46 AM

To: Dowhan Chris; 'Alan Murray'; Daniel Kaufman

Subject: BetterInternet Trashed

See middle of page in yellow. This is a widely read industry rag.

What could they possibly be talking about. Sounds almost comical were it not going to complicate distribution.

J

ADBUMB SEARCH ENGINE WEEK!



ADBUMB #118  
SEARCH ENGINE WEEK  
March 1st, 2004

ADBUMB #118  
SEARCH ENGINE WEEK  
MARCH 1ST, 2004

"Sometimes we love you, sometimes  
we hate you, and sometimes you  
make us laugh out loud..." - Rebecca

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Adbumb has an adjusted publishing schedule and will not be publishing this Wednesday because of the Search Engine Strategies Conference and Expo. Visit us there!

A dbumb is the #1 online advertising newsletter published at no cost to our subscribers, with no twist of lime from brokers selling their crap.

This is a satire/parody based publication and much is not too be taken too seriously. Read the constitution before thinking of suing us -- we defend our right to be funny and obnoxious. We are not responsible for any submitted content, or the opinions of our readers, even if we agree with them. If you want to complain about our content, keep it inside and deal with it with your fing therapist or contact [feedback@adbumb.com](mailto:feedback@adbumb.com)

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Lieb, Editor of ClickZ

"If you want to put yourself in front of the most influential people in the online industry, put yourself in Adbumb." - Joe Speiser, CEO AzoogleAds.com

"If you are a relatively new company looking to form solid relationships with some of the biggest players in the industry, you will find AdBumb to be the most effective and inexpensive B2B advertising vehicle available.

-Brent Washington and David Finn (LeadBusiness)

"Sponsoring the Adbumb newsletter helped open doors to working with publishers we never knew existed" Michael Mamarella, NextWebMedia

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THIS ISSUE TO FRIENDS  
AND FAMILY!



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For over two years ADBUMB has been the only independent source of information about the online advertising industry. Factual, honest and digging through the mud so you can know what affects your business!

#### ADBUMB TOP SEARCH ENGINE COMPANIES AS VOTED BY THE READERS OF ADBUMB

Top 5 PPC Search Engines:  
(Based on Service, Performance & Fraud Detection)

1. Google
2. Overture
3. Kanoodle
4. Blowsearch
5. Enhance.com

Top 5 Search Engine Service Companies  
(SEO, Tracking & Other)

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1. GoTOAST
2. TrafficLeader
3. SendTraffic
4. iProspect
5. 24/7 Search

**THE OFFICIAL INVITE!**

**the official adbumb  
search engine event  
nyc networking party**



**adbUMB**

**CLICK HERE TO RSVP**

**March 3, 2004  
6pm - 9pm  
The Park**

**DON'T MISS THIS OPPORTUNITY FOR ONE OF THE PARTIES  
OF THE YEAR WITH ATTENDEES OF SES NYC.**

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**The Park is at 118 10th ave.  
bet. 17th & 18th St  
a short cab ride from the hilton**

**BEWARE: "FLASHTALK"**

**aka: abetterinternet.com**

We recently discovered along with ABCNEWS/Disney that this company was booking rich media ads that would turn on "activex" downloads without permission of the site. They were booking banner ads that at night were loading activex installs on major sites. DO NOT BOOK THESE ADS or you will find yourself serving pop-ups and ActiveX without your permission.. and giving your users "spyware & adware." This is the worst type of adware/spyware and a serious, serious problem

**BEWARE: DO NOT RUN THESE ADS!!!**

We are finding more and more unethical companies are serving activex queries within banners without permission of the properties they are booked on. Usually they are waiting until the middle of the night to do this.



**Google will announce a new Search Technology at S.E.S.!**

In order to generate more revenue for the next year, Google will be announcing a new technology at S.E.S. that has been dubbed "psychic search." With their IPO on the horizon this spring, they are desperate at finding as much revenue as possible, so they've figured a way to "decide" what users should search for. "Honestly, we've realized that most people aren't even sure what they are looking for," said Sergey Brin, one of the Google Founders "and we've realized we need to show them what they need to search for."

**PPC Debuts on SuperPages.**

Getting into the PPC model is newcomer SuperPages brought by Verizon. In a partnership with FindWhat as the technology provider, the listings will be sold by Verizon's sales team as a package with both online and offline listings. "The top three search results will be reserved for national businesses and the next three will be reserved for local. The next three or four spots after that will be reserved for advertisers who want to pay a fixed fee," said Jim Palma, a representative as Verizon.

Send your press releases to [feedback@adbumb.com](mailto:feedback@adbumb.com)




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#### Search's Dirty Little Secret

Meet "Robert." He's about 30, lives in Miami and has about 10 different offshore banking accounts. He also has his own small yacht and all the women down here love him because he's loaded. But no one is quite sure what he does, although he makes the claim that he's in online marketing. While I'm not sure if you've ever heard of his company, he's quite connected in the South Florida email marketing community.

Did we mention he claims to make over \$100k+ a month out of defrauding search engines?

I met Robert through a friend of mine at a search engine optimization company that told me that they had met at a Boca party a while back. He caught my friend's attention because of the claims that he could "manipulate" any PPC search engine system to his advantage... plus that he had made loads of money using his system. While quite drunk, he admitted that he had developed a system that used proxy servers to click on distributed PPC search engine advertising.

I was pretty sure at first this story was complete bullshit – if someone had developed a system in which they could click on ads, mask their IP address, it would be undermining the whole system in which PPC search engine advertising was based on. Most of the major search engines had developed an IP based system which tracked multiple clicks from the same site, and detected fraud based on the IPs. The search engines that were doing distributed search results depended on this system to remove those sites that were attempting to inflate their payouts by clicking on ads over and over.

Well, after a little bit of research on the net I found that there was actually a plethora of proxy server click programs that were made to fool the CPC reward programs on the net. It seemed that if you could fool those programs which rewarded you points for everyone you got to visit a webpage, it wouldn't be so hard to fool a PPC search engine. And the smart guy Robert was, he figured how to do this, and claims to have made over \$1mm this year alone from a variety of search engines by generating fake clicks.

You'd think the search engines would have caught on, right? Well, some of them know about this technique and have instituted basic standards on their conversions – if a distributed search partner falls below normal conversions, they then start looking at the company for possible fraud. However, none of the search engines are publicly talking about this, for fear it will undermine the trust in search engines and their distributed search programs. Companies like Overture and Google, in order to gain more revenue have put

their next few years growth on distributed searches, so if anything would threaten the legitimacy of this, it would mean millions of dollars in lost revenue.

Robert claims that even Google and Overture's distributed searches are easy to defraud, and that he's helped some of their partners beat the system. While it's harder to fake the clicks, he points out that some of the Google and Overture distributed search partners do thousands of clicks a day and that adding 10-20% inflated clicks to the already enormous amount of searches keeps them under the radar. Since some of the products pay as much as two dollars per click, a few hundred more clicks a day can equal thousands of dollars extra per month.

Strangely enough, we couldn't find much documentation on this on the web. There were some newsgroups that talked about it, and one post claimed that upwards of 30% of all clicks through some of the distributed search partners are fraudulent using proxy servers. Both Google and Overture have let it known through unofficial notices that they monitor the open proxy server lists and do attempt to log these into their system for monitoring.

I told Robert about my little problem is 7search.com and how my tests with their clicks seemed less than authentic and he laughed at me. "You used 7search? Everyone knows that company is faking their own clicks." For those who don't remember, I ran a test campaign on 7search a while back, and the results were horrible. Despite thousands of people clicking on extremely targeted text ads, everyone who clicked decided that they weren't really interested in the products – in fact the conversion rate on every rate was 0%. According to him, many of these sub-tier search engines are well aware that their system is being used fraudulently, but can't afford to loose 30%+ more of their PPC income without shutting the doors, so blatantly ignore it.

So, how else does Robert make his money? He claims that some of the larger online advertisers have hired him to lower the CPC prices on the engines by making it too expensive for their competitors to be placed on the engines. He claims that none of the search engines monitor the clicks on their own sites since they aren't obviously looking for fraud by their own staff. By using his system he can click on competing advertising lowering the ROI of the clicks, making competitors drop out of bidding because their results sucked. The results were that his clients suddenly found that they had #1 placement for a fraction of the cost of the original bidding.

Why doesn't the industry talk about this? I've noticed that the Search Engine Strategies Conference and Expo isn't even trying to address this problem... probably out of fear that they could loose some of their sponsors if it was found they were engaging in this type of fraud. It's the dirty little secret of the industry, and if some of the search engines are regularly engaging in this fraud it could turn around the whole PPC model and threaten the financial stability of many companies. Perhaps its best that we all remain quite about ... oh well, too late.

Do you have any idea where your ads are coming from?

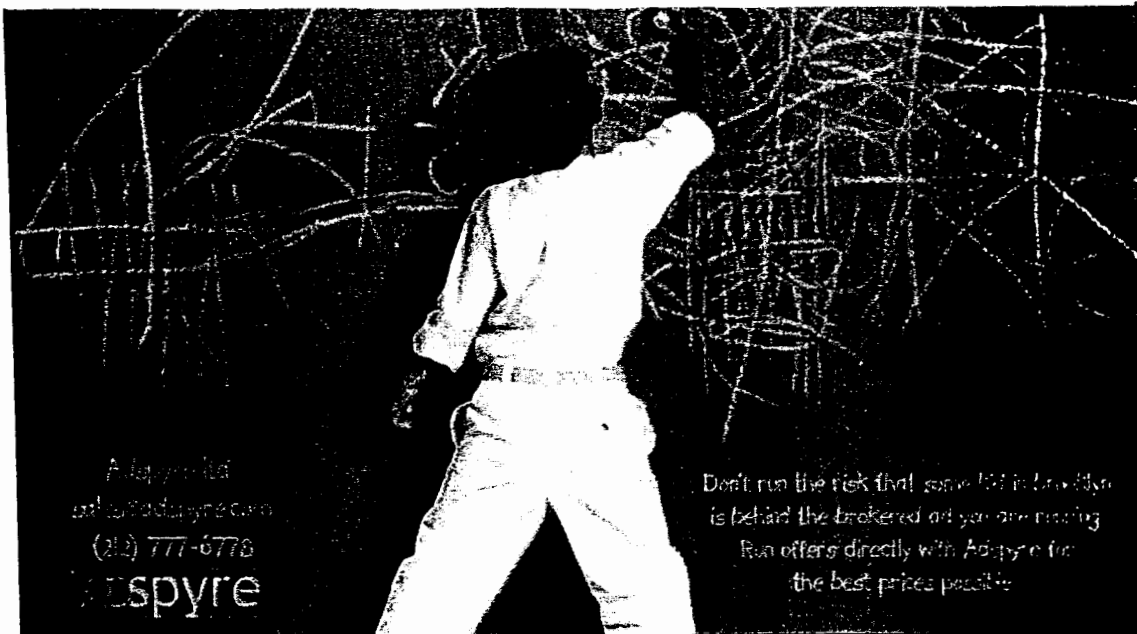
If you are running brokered ads from some broker you run the risk of not just getting the best price but of not getting paid

that you can get ADSPYRE to do it for you

30 second mortgage  
The best converting mortgage offer on the internet. As high as \$1200 cpa

BS Supplements  
40% of sale  
Average Sale over \$100  
New Creatives by Adspyre

Table Top Vending  
Paying out to partners as high as \$18.00 cpa



#### Interactive Hispanic Advertising

*AdBumb: AskAlvy, how is the interactive advertising industry developing? Is it even something direct response media companies should care about?*

*AskAlvy: Lord Pace, I truly believe the numbers can no longer be ignored. It seems that almost every week I read something describing the astounding Hispanic growth, buying power, and amazing market potential.*

I've personally failed badly at attempting to reach the Hispanic market, but still have hope for what the future holds. Back in 2000, I helped Brady Whittingham launch WinDaily.com, and since we share great interest in figuring out what appeals to Hispanics online, we translated the site and named it GanaDiario.com. GanaDiario.com became a sweepstakes site driving clicks and conversions for prize sponsors. It didn't go very well at all, but we learned a lot. We found that there really is no Commission Junctions or Azoogole for this industry.

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HispanicBusiness.com & US Census say:

- US Hispanics and Latinos now outnumber the entire population of Canada, they are the largest (and fastest growing) minority group, and have a purchasing power in excess of \$540 Billion annually.
- Online, in 2002, Hispanics numbered 12.5 million adults and purchased \$4.3 Billion worth of goods and services.
- US Hispanics total 40 million adults or 14% of the US population.

Within my network of contacts I've only encountered two agencies promoting Spanish offers on a mass scale, 1) InterMark Media promotes a debt relief program and 2) Impulse Marketing promotes credit cards.

I recently made a few calls asking industry pros who else they know successfully advertise to Hispanics online. John Santiago from Media8 and Joel Bary from Latin Medios came up several times. I didn't have time to call Joel, but my conversation with John was definitely energizing.

John's clients include, Sears and AOL Latino. He related that you really have to know the market and what they want in order to be successful in the space.

I think it's time someone launches a Spanish Affiliate Recruitment Service.

AskAlvy a question you want answered in the next AdBumb issue [AskAlvy@AskAlvy.com](mailto:AskAlvy@AskAlvy.com).

Michael Alvarez is the founder of RedBull Marketing



[send it to a friend](#)



#### What, Me Compliant? Part II



Fat Tuesday – a wonderful day celebrated with public urination and regurgitation of freshly-quaffed syrupy red drinks called Hurricanes – and I haven't even left the office yet. Instead of watching pale coeds on Spring Break from their northern universities compete with one another for shiny plastic beads by doing their best Janet Jackson impression for shiny plastic beads, I am sitting here writing an article to help all you email marketers out there with compliance issues.

With all this talk of compliance the last few months, I decided to hold an unscientific study at my favorite beach bar this past weekend to find out if people actually know what "compliance" is. Eight of those surveyed thought "compliance" were those internet-appliance-thingies that never caught on, and two girls suffering from obvious sun poisoning said "who cares – just sh-sh-shake it like a Polaroid picture." So much for interviewing Florida State grads.

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This apparent exercise in futility led me to Merriam-Webster ( [www.m-w.com](http://www.m-w.com)): compliance: noun. the act or process of complying to a desire, demand, or proposal or to coercion. How profound.

As an email marketer, the "demand" we are currently dealing with is Congress' CAN-SPAM Act of 2003. In the last issue, I broke down a few commercial email messages that were in violation of these new guidelines. Today, I'll focus on the major points of S. 877 that are still being ignored by many email marketers.

Sec. 5(a)(1)(B): a "from" line that accurately identifies any person who initiated the message shall not be considered materially false or misleading – This means no more "Mom" or "Accounting Department" in your "from" lines. I guess this means I can use "Warren" in the "from" line of each of the millions of commercial email messages I send out every day.

Sec. 5(a)(2): Prohibition of deceptive subject headings – Choose your subjects wisely, young grasshopper. When sending business opportunity ads, lean toward subjects like "Earn up to 10K a month" rather than "Earn 10K a month". Try not to promise something you cannot deliver. On the other hand, I received an email today with the subject "Give her unlimited orgasms" – how did they find me?

Sec. 5(a)(3)(A): It is unlawful for any person to initiate the transmission... of a commercial email message that does not contain a functioning return email address... This is Email Marketing 101... I think. I didn't go to class much, and when I did, I cheated off the Asian kid next to me.

Sec. 5(a)(4): Prohibition of transmission of commercial electronic mail after objection: "Suppression" has been a big topic since S. 877 has been penned. The advertiser, or "sender" according to the Act, must keep lists of addresses of people who have unsubscribed from their offers. We as email marketers must adhere to these suppression lists by scrubbing our data before deployment. Several services, such as OptOutManage and DNEList, have been built to cater to companies' suppression list needs.

Sec. 5(a)(5): Inclusion of identifier, opt-out, and physical address in commercial electronic mail – In addition to the opt-outs we supply as mailers, advertisers ("senders") must also include opt-out information and a physical address. Opt-out information can consist of a link to an opt-out website, or an email address. In the event your advertiser does not include opt-out information in their creative, an ex-girlfriend's or ex-boss' postal address works in a pinch. My company has begun to include a phone number in our opt-out information – this gives our subscribers an extra level of customer service, and it sometimes makes for some good voicemails.

There is much more to S. 877, but these few pointers should get you on the road to better email marketing. You can read the entire text of the CAN-SPAM Act of 2003 at <http://www.spamlaws.com/federal/108s877.html>. Now it's finally time to give a lucky girl a chance to earn these beads....

Warren Corpus is the "Duke of Deployment" for iMarket Offers ( [www.imarketoffers.com](http://www.imarketoffers.com)). Warren vows to retire the Janet Jackson jokes. *He'd like to thank Jeff Carlisle for his help on this article*



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New York City

Organized by recognized search authority Danny Sullivan, only Search Engine Strategies Conference & Expo 2004 gives you the actionable

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**Hilton, NYC**  
[ses@jupitermedia.com](mailto:ses@jupitermedia.com)

**Global Entertainment and  
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**April 3-4, 2004**  
**Park Central Hotel, NYC**  
[tiafix@adspyre.com](mailto:tiafix@adspyre.com)

**AD:TECH San Francisco**  
**May 24-26, 2004**  
**Palace Hotel**  
[mark@jdevents.com](mailto:mark@jdevents.com)

**Affiliate Summit  
on the Water**  
**June 24th-June 26th**  
[missy@affiliatesummit.com](mailto:missy@affiliatesummit.com)

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Join us in New York City on June 24, 2004 when we set sail on the Carnival Victory to Nova Scotia. Don't forget - Affiliate Summit 2003 was a sell out with nearly one hundred people on the waitlist.

## classifieds

**Modern Consumer, an online marketing company based in New York City,** is seeking an experienced Direct Response media buyer. Candidates must have strong negotiating skills/experience negotiating CPA/CPL media, analytical skills, and possess relationships with key vendors for buying and planning all types of online media. Competitive salary plus bonus/commission, and GREAT work environment. Please email your resume with salary expectations to [mediajobs@modernconsumer.com](mailto:mediajobs@modernconsumer.com).

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marketing campaigns. You should be familiar with industry best practices and current governmental and ISP regulations. You will have access to a substantial monthly budget, high quality campaigns and a robust database and the challenge of building on all three. Competitive salary and benefits are available. Please email you resume to [jobs@webclients.net](mailto:jobs@webclients.net)

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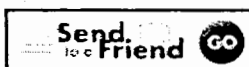
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**Network Dynamics, a PC security firm, is looking for a seasoned media buyer/planner.** Must have strong negotiation skills, industry contacts, deal closing skills, CPC/CPA/CPM. Competitive salary, benefits, bonuses. Position available in LA area or remotely within US. Send resume with salary history to [careers@networkdynamicscorp.com](mailto:careers@networkdynamicscorp.com).

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