

[Transcript] My First Million / #205 - How to Stop Your Tech Addiction

There's some kid who's the next Ari Gold that's sitting on Kentucky's campus or Alabama's campus that's going to end up being like worth \$500 million and they're going to get their start by selling name, image, likeness, like local deals for the local players.

All right. This was a jammed pack episode. We talked about a lot. So we talked about buying the lottery tickets online and how that might become a big business.

We talked about, what else we talked about? We talked about we talked about a company called Atlance about creating QuickBooks for NCAA athletes. What else we talked about? The business of mugshots.

Mugshots, yes. Mugshots, the business, how these websites make money, why they are posting mugshots online and how we feel about that. Is that scummy or is that is that legit?

We also talked about a couple ideas for chrome extensions. There's chrome extensions that keep you focused. We talked about porn addiction fighting and if that's a big market or not.

So get to the episode. Can you guys do us a favor? Leave a review and then click like and subscribe or click subscribe if you're on iTunes and then follow if you're on Spotify and leave a review and let us know what you think about this episode. Talk soon.

If you are not watching on YouTube, check out the YouTube channel. You can see our faces.

Most people have our voices mixed up. They think of what they think of me. I am Sam and Sam is me.

The only way to know is to go to YouTube. That's the number one comment we get.

We actually reply in all the comments. We can't reply to podcast reviews, but I actually go personally reply to the YouTube comments on every episode.

So go subscribe there because honestly, the YouTube channel is better than the podcast feed.

So if you're only on the podcast feed, you're missing out. Go to YouTube. The channel is called, Sam. What is it called? Just go to YouTube and type in my first million. You'll see it.

Right now it's called the hustle, but they'll see it. And then hit the subscribe button.

All right. I have a ton of stuff to cover. Thanks for wearing your shirt, by the way.

Dude, you get all hot and bothered when I just don't have sleeves, man. This is a shirt.

Well, I guess so. We don't all address like, you know,

bouncers at a Miami strip club. So I do look like that. I look like, yeah,

I look a little special today. Do you want to? What do you got going on? I have a lot of interesting stuff. All right, let's start. Let's do it. All right. Quick break to tell you about another

podcast that we're interested in right now. HubSpot just launched a Shark Tank rewatch podcast called Another Bite. Every week, the host relived the latest and greatest pitches from Shark Tank from Squatty Potty to the Mench on a Bench to Ring Doorbell. And they break down why these pitches

were winners or losers. And each company's go to market strategy, branding, pricing, valuation, everything. Basically, all the things you want to know about how to survive the tank

and scale your company on your own. If you want to give it a listen, you can find another bite on whatever podcast app you listen to, like Apple or Spotify or whatever you're using right now.

All right. Back to the show. All right. Did you see everything that I put on here?

Well, it changed. You had a whole bunch of stuff about greeting cards, and now it's something else. Buying lottery tickets. All right. Good for it. Okay. I got a lot of stuff. I got lottery tickets. I got mug shots. I got, oh, the athletic stuff. I actually, let's do lottery tickets first. And then I want to do athletic stuff because you actually talked about that. So,

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I just talked to this guy. I don't think I'm going to do anything with it. I don't know yet, but I just talked to this guy and I thought it was really amazing. Now, this company that I'm going to tell you about, it has to deal with the power ball and lotteries, which I actually think that my stance on it is I'm personally not in favor of it. I'm not, I'm not on board. But I thought it was fascinating. So there's these companies that are, there's two of them in the space. So basically the way it works is there's two major lotteries. There's the power ball and mega millions. And then each state has a state run lottery. Okay. And the way it works is you go to the 7-Eleven, you go wherever and you buy a ticket. So there's this company that I just started talking to. They're called Spins. And what they do is, sorry, slips, spins, slips. So you don't, have you heard of this or did I write it down? I talked to them a bunch of months ago and I talked about them on the pottery. But I did talk about it, but we could do it again. That's okay. I don't remember you telling me about them. That's okay. Most people probably don't. But how did you hear about slips? I thought they just launched like a month, like this month. It's been on test flight for a long time. So I used it on test flight. I thought it was really clever. Explain why it's clever. Dude, I feel the wind was blowing out of my sails just now. I'm sorry. Okay. I'll give you a minute to recover. No, I want you to explain now because you're good at it. I'll try to remember. So basically, a lot of people play the lottery. Typically you go to a 7-Eleven or a gas station or something. You buy it. What these guys did was they let you play the lottery from your phone legally. How do they do that? Well, basically wherever you are, you'll say, I'd like to buy a lottery ticket and then they will physically go send somebody to a gas station. They'll buy the lottery ticket. So it's sort of like there's a task grab it essentially that'll go buy the lottery ticket in person for you because you can't actually buy them online. They'll buy it, they'll take a photo of it, they'll sort of custody it online and give it to you. And so that's how they kind of bypass the rules around buying lottery, like running an online lottery. You can't run an online lottery, but you can pay somebody to go buy the ticket and then they can give you the ticket. And that's like their two step process. Did I get it right? I think that's brilliant. You got it brilliant or you got it right. And I think that's brilliant. I think it's brilliant because I never would have thought about that. And it's the easiest possible solution. And by the way, I think they simplified it even further where they just paid the guy at the gas station to be the task grab it. So now they don't even dispatch somebody. They're just like, Hey, when this thing rings, that's that's somebody paying you to buy a lottery ticket. And you pay like a little premium on top of what the lottery ticket is. And that's the kind of like service surcharge, which might be like 25 cents or a dollar or something. It's not like percentage wise, it's pretty significant, but it's not a huge amount of money. So people don't care. It's like, ah, it's more convenient because they can I can get a push notification. It says the lottery is \$200 million today. Would you like a ticket? And you just say kind of like yes. And that's that's low friction. I was saying they have subscription. They have a bunch of stuff. But when I was talking to this guy, I was thinking there's a few I was thinking of the pros and cons. So pros of this business, it's going to get big fast. Yeah, I can see it getting big fast. That's the only pro. That's a big pro in the world of business. That's the main pro. That's the main pro. There are so many things about why it won't work. Are you like why it won't work? Are you saying basically like ethically, I have a problem with this or no, that's just one of the many things. I wouldn't say ethically, I have a problem,

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but I would have to ask myself how I feel about that.

Like I would have to think about it. So in one regard, it's like, I don't buy the lottery and I don't want like if you don't have a lot of money, I don't think you should buy the lottery. That said, who am I to tell you what to buy? And also if you want to spend, I go to the casino and I like to spend \$50 and that's fun. So like who am I to say what's like who am I to judge? But the second thing, I would imagine an app like this would have very similar economics or not similar economics, but similar growth tactics as like a mobile game, which means you'd have to be super aggressive about customer acquisition. And if Facebook, Google, or that pretty much that's it. If they ban you, you're fucked. Yes, that's a legit problem for this.

And that might be the big, the two biggest. What's that?

They also I think had some social feature that was like, if you and your friends can kind of like share it, you could split tickets or something like that. Like they brought all the offline things were like, you know, an office pools together and buys a hundred tickets and then they agree to split the money. I think they brought that into it. So it's a nice app. I liked the idea. I liked the idea a lot. But I just, you know, whatever, there was a whole bunch of reasons why I decided not to invest, but I just thought it was a, I think it's a clever idea.

And I've been looking at this for years. So to your question of how do I find this?

It's because for years I've been thinking about how would you, how would you bring the lottery online? And I've talked to many people who claimed they could do it legally and it wasn't actually legal or it was only legal in one state to do it that way. And they were hoping all the other states caught on. And so I've just been keeping an eye out for rule changes. And that's kind of a theme. Like we talked about the name and the NIL thing for the, for college athletes name, image and likeness rule change equals opportunity. I have another rule change I'm going to do today.

That's another opportunity, but this is, this is an example of one of those types of businesses.

You want to talk about that NIL stuff? Yeah. What do you got for it?

And the reason, so you brought this up and I had known about it, but I just saw this other article. Did you see this article that went viral about this Alabama kid hasn't even like,

that he had a million bucks in revenue booked for the year or something crazy like that?

Well, the funny thing is the coach, Nick Saban came out and he's the one who kind of said it.

So he's like, Oh yeah, you know, it's creates a weird situation. Like our freshman quarterback, he's made seven figures, you know, he's making all this money. His teammates aren't making that money. It creates an awkward dynamic. But so some people, there's really three reactions to this. One is like, okay, maybe there's some truth to that. The second is, Oh, is this like, for years, there've been all kinds of people who make millions of dollars like Nick Saban does. Nick Saban makes

tens of millions of dollars as the coach and all the players played for free. And it's like, dude, you're trying to keep the players down now that they're making a buck. You got a problem with it. And then there's the third one, which is the super mega evil version of this, which was he added this line at the end where he goes, he's like, he's making all this money. And that's because of our brand. That's because he's quarterbacked Alabama, which is true. It became a recruiting pitch at the same time. So he was fake being outraged, but really was what they

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called dog whistling, dog whistling to all the other high school athletes right now. And you come to Alabama, that check is pretty big. This guy hasn't even played yet. And he's getting this type of money. Imagine what you'll get when you come, if you come here. And so all the other college coaches, the players were mad at him, the coaches were mad at him and the media was mad at him. I loved it. It was a master, a master stroke. What I actually did was we contacted, I went and contacted some folks in the compliance industry at schools. And they made a comment that said they're explicitly banned from finding or facilitating any type of deals for athletes. The school is, yes. Yeah. So like Nick Saban can't, like, you know, they can't be the middleman at all. But what they're able to do is act. And so the reason I'm bringing this up is you had this idea where it, I mean, I guess it's a fairly obvious thing, but you said it well of like, you have to have this software or some type of compliance software in order to manage these relationships and manage these deals. And I have an example as to why that's kind of important. But so the school can't be the middleman, but they have to be in the loop about what you're doing. The school will definitely pay, which is why I was saying you should build a tool like this with transparency, visibility, reporting, payments infrastructure, because the schools will have to pay. And once they pay, they're locked in, because you're going to be the system of record of how the athletes are making money. And I want to give an example. Let me give you an example of a very, very, very specific example about why this is going to get really complicated. So do you know American top team? I bet you do. It's that it's a, it's a, yeah. So it's a mixed martial art gym in Florida. They offered \$500 a month to Miami's entire 90 scholarship football players to advertise their gyms on social media. So that's \$540,000, but every player has to do it. Now, there's like these crazy, there's these crazy rules. And so here's an example, an example of the gym deal for the Miami players. We mentioned the contract states that they must advertise for the gym over social media, but if they lose track and not, and all 90 athletes do not post, technically that's a pay for play and not an N a N I L deal. And it's a major NC dot NC double A minor. So it doesn't matter if you understand that what matters is that it's incredibly complicated and that this is going to get like really complicated. I wonder if somebody can also just build the other side, just build the, build the IRS. So it's like build the little police, the independent police task force that's going to be monitoring all this stuff and finding potential violations and then selling this service back to the schools, which is like, Hey, we found some athletes that are out of code here, but this is actually against the thing. We will sell you this type of visibility so that you guys don't fall out of compliance. That's another way to do it is you, you diagnose the problem and then you sell them the prescription. That line is going to lead me into my next point. That's a totally different topic. But when we talked about that, when we talked about this NC double A thing, did a lot of companies reach out to you? Yeah, there was a, they didn't reach out. They go, bro, we're already doing this. We've been doing this. That's what I mean. That's what I mean. Good for you. Great. I agree. It's a good opportunity. I don't know why you got to get all defensive about it. Anything interesting? You know, I didn't really look into them because I didn't have time, but I think like open doors was one of the ones that a bunch of people mentioned. I don't know if that's like the number one. I kind of think that it's not really going to be some player that's been around for a while. I think it's going to be somebody. I view it as in these markets, it's whoever builds this first simple, useful thing will get a ton of adoption. And then it's a race between the people who tried to build the big valuable thing and the group that got a bunch

of adoption to go from small and simple to more thorough. And whoever's, where do those lines cross? Which, which group gets there first? And I like to bet on the horse where the founders identified, Hey, this is a simple thing that we can get in the hands of every athlete right now or every school right now. And we can even give it away for free. As long as we get them hooked into our system, we have a relationship with them. I think those are going to be the interesting ones. So I'm kind of looking for who's new. But I'm open minded about it. I haven't I haven't seen anybody make it make a very compelling case that they've got something good going. But I do have an idea around this if you're ready for it. So are you familiar with how sports agents make their money? Like if I'm an agent for an NBA basketball player, do you know roughly like how that money shakes out? No. So, so basically, if I'm an agent for an NBA player, I'm going to take, let's call it two to 3% on average. And I'm not an expert at this that may be more nuanced to it. But this is what I have a couple friends who do this. And this is what they told me. So they make about two to 3% of the contract value. So let's say in the NBA, like a max guy might make 40 million a year. So let's say you have two guys, you got a max player and you have his, his buddy on the team who's kind of a bit of a mid level player. And you have 50 million, they 50 million a year from the team, you're going to make 2%. So you're going to make a million dollars a year as an agent. So you can stack some pretty good money. Now it is a absolutely cut throat and ruthless business where they're all trying to backstab each other and steal each other's clients. And it is like a, a slightly dirty industry where there's a lot of sort of like bribery wine, you know, something on the good end, whining and dining and on the bad end, sort of like bribery and shit talking that goes on in order for agents to get clients. But I have a few, Ben was telling me about a few friends of his that have an agency as three people and their athletes under contract will bring in about three million total a year. And so basically the main guy, the main agents probably bank in 2.6 million, 2.5 million himself. And then the other 500 K goes into like operations of paying the other two people. They're kind of like salary. So how much is the total? The contract value will be, I think he takes 3%. So the contract value was something like 75 million, just rough numbers for four players, right? And so, and it's like, yeah, it's really hard to get your foot in the door. But when you have this guy, like typically the players will stick with you unless they have a problem with you, you mess up. And so you get there like 10 to 15 year career sometimes. And then as long as that player has a name, you can use them and their introductions to get like a couple other guys on the team that their buddies with that they trust when they're looking for agents. And then they keep going down market. So they keep trying to get guys like right before the draft or, you know, in college they're, you know, shown up on campus and just talking to the guy trying to not create an NCAA violation, but build those relationships. So what I was thinking was, unless the general general business, I don't think it's a great business to be in, but, you know, whatever, it's kind of, there's a few people that win big and then most people get nothing. The opportunity I saw was, well, with this name image likeness, I think this is going to breed a whole new set of college hustlers that become sports agents. Why is that? Because I'm a player at a school. If I'm just some kid in the same dorm, like I remember when I was on Duke campus, I bumped into, you know, Gerald Henderson on the first day of orientation. And, and he actually is kind of a funny story. He was like, we kind of were hitting it off, which is great because normally these guys, you know, everyone's mobbing them. They don't care

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about you. They're looking for like the hottest girl around. They don't really care about this brown Indian dude. What, why am I talking to him? But we hit it off. We were joking around and he goes, Oh man, like, what are you doing tonight? I was like, Oh, I think we're going to West campus. I didn't even know what that was at the time. It was my first day on campus, but I just said something I thought sounded cool. He's like, Oh, Swick, like hit me up when you go like here, take my number. And I had finished high school in China. And so I actually didn't even have a cell phone the first day of college. I was like getting my plan set up. And so I was like, Oh, you know, I don't have a phone. But he just looked at me like, Oh, bro, you don't have a phone. And he just like walked away. That was the last I talked to him. But the opportunity is dude, you're gonna be friends with an NBA player. I know, I know, I blew it. I blew it many, many times after that too with other players. But basically, let's say I'm friends with that guy, I could just go hustle, I could go to the local car dealership. And I could be like, Hey, how much would you pay Gerald to be on this billboard? Right? He's a big name in this college town. So you'll give him 1500 bucks, I could go to Gerald and say, Hey, dude, I got you a \$1,500 deal. All you got to do is like, say yes, and take this photo. And then he would be like, Oh, sick, man. And if I did that three more times, I'm pretty sure I could be this guy's like business manager within like two months of being in college. And if you just plant those seeds at that stage, because you're on campus, you're one of them, you could work the scene locally. I'm pretty sure that that's one way to like hit your wagon to someone who's a future NBA player and actually become an agent. So I think you're going to find some super agents that come out of this, like this one rule change. There's some kid who's the next Ari Gold that's sitting on Kentucky's campus or Alabama's campus, that's going to end up being like worth \$500 million. And they're going to get their start by selling name, image like this, like local deals for the local players. Yeah, I mean, that's what a lot of people have done with music, you know, Scooter Braun started that way. What was his origin story? So I know he had a break. If you don't know who Scooter Braun is, he owned this company called Ithaca Holdings, which I think just sold to a Korean music label for \$3 or \$4 billion. Scooter Braun's most famous for, yeah, Ithaca Holdings just sold. Is he like a billionaire? Yeah, probably. Wow. To tell you Billy, you didn't even know about, how do you feel, bro? There you go. I feel great. I love it. How much did it sell for? All right. So he sold it to Hybe, which is the Korean entertainment conglomerate that owns, I think they had the rights to BTS, which was like the biggest band in the world or something. Let's see. What's the sale price? I'll look it up. You keep talking. Anyway, so he sold this company. He was most famous for being Justin Bieber's manager, but he also managed Ariana Grande and a few other people. He's only 35, 36, 37, very young. You'll see him in some of the music videos. He was also famous because he bought big machine records based out of Nashville, which owned Taylor Swift's rights. And he bought that for only like \$80 million, even though it made \$40 million a year or something crazy like that. And he got a start out of Emory University, I believe. And when he was a sophomore, somehow he started throwing parties and in doing so, met Jemaine Dupri's mom who owned a record label in Atlanta where Emory is. Mrs. Dupri, is that you? Well, Mrs. Dupri is like the head honcho of a meaningful production and music company. And he starts working for him and the Dupri's, and he's like doing this music thing. And he's bringing all the kids to college parties as a

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club promoter and making a cut to like a Jemaine Dupri party. Then eventually, when he's 22, he has a little bit of money saved, but not a lot, like less than a hundred grand. He finds this guy on YouTube who is a little kid. He's like seven, eight, nine, 10 years old. And he's playing a guitar and he's playing a guitar and he's singing. And Scooter goes, this kid's going to be a home run. He's going to be a winner. So he flies this kid and his mom down to Atlanta. And he goes, I want to manage you. And the kid's like, I don't, what do you mean manage me? I don't have a career. He goes, you're going to be a superstar one day. And that was Justin Bieber. And so he discovered the Biebs and he made tens of millions of dollars off that and then recently made a billion plus from selling his company. What did he sell it for? One billion. So it was 1.05 billion. So just two quick numbers. So they sold for 1.05 billion. And he had acquired that big machine like label thing with Taylor Swift rights for 300 million back. Oh, okay. So my numbers are off rich, whatever. And so let's just go through some more numbers. Braun now holds a 1% stake in HYBE, which is worth

123 million itself. The BTS members each have 18 million in HYBE. So there's seven of them. And then Bieber and Ariana Grande have \$14.3 million worth of a stake in HYBE. HYBE went public at 1.5 billion and has doubled in the last few months. I would have bought this if I knew that the company behind BTS had gone public, but I was not I was not awake at the wheel here.

So kind of interesting. I don't even know how we got on. But he got started in college promoting Bieber. And he also, you know who his second act was?

Asher Roth, the guy who and he and at the time he was like, this Asher Roth guy is going to be with the biggest. He's going to be the biggest. Yeah. But Asher Roth came to him after doing I Love College. And he's like, you know, I kind of like don't really want to be famous. Like, I don't want to like be in limelight. I just want to be quiet. And so he bailed on him. Respect.

So, okay, we should do, we should do more on Scooter. And I'm going to also, there's a billionaire behind BTS. This guy, like, he's amazing. What his name is. I'm going to do a deep dive on this guy, Banksy Hook. So we'll go on to this guy. Let me tell you another story. Are you going to regret one thing, by the way? Just one regret I have is that I did not hustle in college. I had like very small, small, like tiny schemes. Like I was a schemer. I've always been a schemer. But I was such a goldfish guppy schemer back then I was trying to like, find a way to win the monopoly game on Epic Donalds. And I was trying to like, you know, get into the easiest classes. I was thinking small and with my buddies and we started like a sushi restaurant thing. But like, had I, now that I think about it, college, this four year playground, with a whole bunch of potential co-founders all around you, with a whole bunch of potential customers all around you, with nothing but free time and nothing but energy and no mortgage, no nothing. It's all paid for. It's a giant summer camp. Damn, that's, that was the time to take some shots, take some experiments. So if you're listening to this or you know something, send them this clip.

It's also the time to get drunk, hook up with girls, hook up with dudes, try on different hats and explore yourself. You don't have to have the pressure to like make money.

I'm not saying become successful. I'm saying take some shots, hustle a little bit.

And that doesn't mean don't party. That means the way I prioritized things was, was just dumb, which was like, I don't know, sleep, number one, class, number two, friends, number three. You know, it was like, I thought, I thought college was about the classes and colleges is obviously not almost not about the classes in any shape or form. But it, but the illusion is that it's about classes and a little bit. I want to talk about the fat fire thing that I mentioned the

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other day and you kind of said something to me, but right now, or do you want to talk about that now? And you want to talk about some mugshot shit? I got one other little quick, quick college, hustle idea. There's another rule change to be aware of this rule change came from Angelist. Angelist made it where it's now very easy for anybody who does any professional investors, anybody like me or you who invest millions of dollars a year into startups, we can now make it very trivially easy to create a scout program, to have anybody become a scout for our program, which all that means is you bring a great deal to me. If I invest, you get a piece of the upside. So you get to free, free role into investments and you get to network with real investors and you get to be basically hunting startups for fun. I was doing this, but back, back when I was, I think I've talked about this for the first angel investment I ever did, I did as a scout. I found a deal, I diligence it. I thought it was a great deal. I pitched that deal to somebody who had money and they were like, great, I'll give you a piece of the upside. And, and there was no, like, you know, it's like, we have to figure out our own paperwork for that. Well, you know, it wasn't like a easy one-click button, like Angelist has now made it. Well, they've had this. I've used this for my thing on the back end. Splitting deal by deal carry wasn't easy for funds or rolling funds before. I think for SPVs it might have been, but now it's easy for everybody. So, I, so if you're interested in investing, the game has changed. Here's what I would do. My quick 30 seconds of what I would do if I, if I was somebody who didn't have the money to invest in startups, but I love the idea of startup investing. I would contact my four favorite investors. Maybe it's, you know, me and three other people. Great. It's me, me, me and me. So your four favorite investors, the top four investors, Sean, Sean and Sean. I got four email addresses. So here's what you do. You send an email and you say, you don't say, Hey, can I work for you? You say, Hey, every week, Hey, I love startups. I am a junkie. I'm always looking for, for interesting startups that are on the come up. You know, I'm good. I'm a developer. So I know about that or I'm into music. So I'm watching the music scene or whatever, right? You figure out what your, what your angle is. And then you just say, I'm going to send you three interesting startups a week. You don't have, you don't have to reply, but if anything catches your eye or you think it's either really stupid or really awesome, I'd love a one line reply. And you just start sending that for three weeks straight. And if I don't reply after three weeks, you ditch me and you figure out somebody else. But if you do this, you'll walk, you'll do two things. It'll be fun because it's fun to just check out startups and play that game of fantasy investor. But B, you'll actually walk away within a year. You'll have a portfolio of startups that you have equity in, that you sourced, that you diligence and that you pitched. And that, that's like a great way to break into this industry. So I think Angel has just made it way easier to break in. I just wanted to put that out as a PSA for people. Yeah. And go ahead, drop your email. All right. So a minute ago, you said something that was actually really brilliant. And it was about the NCAA stuff. And what you would do is you would find the violations and go to NCAA and or go to a, like, you know, University of Alabama and be like, Hey, this is your quarterback is actually breaking the rules here. The, the fines are X, Y and Z a buy our software for Y and way easier sell than buy our software. It's, Hey, you have a problem. Here it is. If you, if you don't want to have this problem in the future, we obviously we do it. Look, I did it for you already. All right. A quick message from our sponsor. You know, I was thinking about the shortest day of the

year earlier. And while we technically have the same amount of time as every other day of the year, the lack of daylight makes it feel so much shorter, which is exactly the same kind of feeling as working with disconnected tools. Our work days, the same length as always. But before you know it, we spent three hours just fixing something that was supposed to be automated. Thankfully HubSpot's all-in-one CRM platform can serve as a single source of truth for managing your customer relationships across marketing, sales, service operations with multiple hubs and over a thousand integrations and easy to use interface. HubSpot lets you spend less time managing your software and more time connecting with your customers. Learn how HubSpot can help you grow your business at [HubSpot.com](https://www.hubspot.com). So there's this. You remember earlier, a month ago, I mentioned the business of mugshots, correct? That's right. You told me about [mugshots.com](https://www.mugshots.com). I think it was. Yeah. And so I went and did a bunch of research on these businesses. There's a whole ecosystem of this. So I'm going to name a bunch of them. So let's see. Where are they? Okay. So [mugshots.com](https://www.mugshots.com) gets at least 600,000 visitors a month. [BustedMugshots.com](https://www.bustedmugshots.com), 666,000 visitors a month. Find [mugshots.com](https://www.mugshots.com), 72,000 visitors a month. What is [busted mugshots](https://www.bustedmugshots.com)? That's just ugly people? Ugly mugshots? Is that what that is? I don't know. Look at it. I think it's the same. [Busted](https://www.busted.org), like in jail, not like your face is busted. [Arrest.org](https://www.arrest.org), 4.35 million. [TruthFinder.com](https://www.truthfinder.com), 9.1 million. And then been verified 23 million visits. And so these are all centered around mugshots and criminal records. Now you want to hear how these guys make money. So what they do is, and here's a story. So there was this guy, Matt Creed in Kansas City, and he started this company called [Blabbermouth](https://www.blabbermouth.com) in 2013. And what he would do is he would post names and addresses and mugshots of local people who had already been arrested. Then he would mail them all letters and say, we have already been blabbing to the world about your release from jail. And we want to make you aware of our services as we kind of have a big mouth. And for \$200, we will remove all the information from our website. And they would send that to people. And that is exactly what [mugshots.com](https://www.mugshots.com) does. That's what [arrest.com](https://www.arrest.com) does. That's what [busted.org.com](https://www.busted.org.com). So it's free search, pay to be removed from the database, from their search. Not only that, there's a whole bunch of removal services. So there's [remove slander.com](https://www.remove-slander.com), [remove arrest.org](https://www.remove-arrest.org), [erase mugshot.com](https://www.erase-mugshot.com), who charge \$1,000 to \$5,000 to actually just do this to all the, to all the companies. I imagine what they do is they just charge you five grand and then they go and pay all the websites each like 50 bucks. Like they just have some affiliate deal and they just take a little bit of profit. There's probably some rule. There's probably some DMCA type rule. If I request to be taken out, you have to take me down. That's probably what it is. That's my guess. I don't know if that's right, but I feel like they may not have to pay anything. It's just going and filing the claim. So in the vast majority of states, posting photos online of these mugshots is totally legal. Okay. So you can't, you really can't get a, it's not a big deal to post them. It's public record. Where the gray area is, is that the websites that populate them, they put the mugshots on there and then they turn around like and charge individuals money to remove them. Then now, a lot of these guys who run these websites like [mugshots.com](https://www.mugshots.com), the authorities are trying to look for anything little that they do wrong or anything that, it doesn't matter how small, but they wanted to do something wrong. Like for example, like embezzle a little bit of money, which I think that there's like a figuring out if someone is embezzles. Like it's,

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you could probably catch that mistake. It's like, if they don't file their taxes correctly, you know what I mean? And so the founders have actually been locked up for like three, four, five months at a time. And a lot of these websites, if you go and try and find, we, I went and researched them. You try to find out who owns them. It's different domains in Panama, Belize, things like that. It's like this huge web, but it's incredibly fascinating. There's this entire ecosystem around mugshots and then mugshots removal. And it's a very fascinating, very interesting. I think it's horrible, but it's interesting nonetheless.

Tell me you're shady without telling me you're shady. And then you post your, your Cayman Islands, incorporation documents or your Belize, you know, headquarters address. Dan, Dan, come on, come on

microphone real quick. You're a good human being. I would say Dan is a extremely straight edge human being from what I could tell. And Dan, tell me this, when I hear Sam explain these businesses, my literal, my first reaction is awesome. That was, wow, so smart how they thought of that.

And I think you probably are, like many people have a different reaction, which is sort of like, geez, these guys, like whoever does this is kind of a scumbag. Tell me, Dan, what is your reaction to this? Yeah, I just chatted to you. I said the owners of all these companies are human garbage.

And so is that your reaction with Sam describes these as like, gross? Or is it like, like, my reaction was awesome. I mean, there's lots of ways to make money in this world that just sounds like a horrible one. That's a good point. Okay, fair enough. So I do not like this.

I would never do this. I think these guys are pieces of shit. And also, I think it's amazing.

Like, like, I think that like, so doing what this guy Matt did of like sending the letter, that's like table stakes. Any schemer who has ever wanted to do that, like already schemeer out there

who's been like 19, like that's such that this is the most this is some basic bitch shit. I think this is like the most basic like scam I would imagine. But, you know, I would never in a million years do it. And I wouldn't want to be friends with anyone who does it. And yet I still think it's fascinating and interesting. Right. So there's like, would I do it? No. Do I think other people should be allowed to do it? Maybe I should know. If somebody does it, do I consider them a piece of shit? Or do I consider them like, you know, it's fair game. It's just not one. It's not for me.

Right. Like, I think those are the kind of, to me, that's like the moral question bar question box I get into with with stuff like this. But I don't know, I think these are very clever,

very smart. I think they to me, I'm always like, wow. Okay, yeah, I wouldn't do it. But

huh, that's interesting. What like, if you just piece it together, there's a bunch of layers.

One layer is, Oh, man, you can create businesses just taking public data that's not really formalized for for kind of like consumers to like use. And you could like aggregate it,

create a search engine on top of it, you create a product there. Yeah. People do that with Zillow.

People do that with Zillow. People do that with many things. So it's just one generic business model type. So then you say, Oh, cool. If I ever find other public things that are public record, but I don't know that there's main consumer, consumer website for it, I could build that.

Then there's like, huh, there's some psychology. Why are somebody people? Why are millions of people going to these websites? Is there like, is it just like a gossip thing? Is it that they are trying to solve some problem? Like they had some theft and they wrote down some guys license plate and they're trying to figure out who it is. Oh, maybe there's a, maybe there's a consumer

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problem to be solved here. And then there's like the business model innovation or the business model tactic, which is the same thing I was saying earlier about NTA violations, which is you don't sell the search, you sell the removal, right? You sell the solution once they search. And okay, that's interesting too. So I look at it as a bunch of different layers. And then when I put the whole thing together, I'm like, yeah, that's kind of crappy. But like as individual layers, it's pretty fascinating to me. It's fascinating. You want to talk about porn? Yeah, let's do it. You saw this thing I wrote down. Yeah. All right. So I saw this company that's in YC right now. And I don't know how you see it. Wait, first of all, how do you see all this interesting stuff? That's like saying, you know, how do you pull off that shirt, man? I don't know. You just do it. You don't even think about it. This case, this was on Hacker News. It was posted as a show HN. So I check out Hacker News. When I go to Hacker News, I typically will go to the show tab because I find that to be more interesting than the news. And then I think in this case, Ben sent this to me yesterday when we were talking about something that we were just bullshitting about something else related. And then he's like, oh, yeah, there's another company like this. That's kind of interesting. He was laughing at it. And I was like, no, I actually think that's like a legit idea. He's like, what do you mean? And I was like, well, I think these taboo ideas. So in this case, this is a company that helps people who are addicted to porn fight their addiction. So it's a treatment. So it's like Alcoholics Anonymous for people who are compulsive with porn. And I'll just get you addicted to this app. So he sent it to me as a joke, like, dude, look at this. And I was sort of like, I bet that's actually a big problem. I bet there's a lot of people who have this problem. And I bet there's kind of nothing. There's no real legit company that's occupying that space. Why not? Why wouldn't there be something that occupies a space that helps a lot of people? And so I started looking into it. So they have about 100,000 members of their community, they say, I don't know if that means just registered people explain the product. It's an overall company that's supposed to help you overcome a digital addiction. So it wasn't just for porn, but they started out with a few different products. So they had the first one they had was called detox. And all it was is basically it was an app that would just like, get you off your phone for a period of time, it would kind of like lock you off your phone and just tell you, don't use your phone for the next four hours, you're detoxing. Okay, cool. And by the way, I've, I've wanted to do this myself. I kind of made a rule for myself one hour a day. I'm just going to lose my phone. I don't need my phone every hour of the day. The next one they created was social x. That's your personal rule. That's my person. Yeah, I didn't know about the SAP, but I just, I just put my phone in one different room and I just leave it for an hour. Then there's social x. Yeah, that's a lot for me. I was constant on my phone, dude. Me too. And so what I do is I just, I don't, I, yeah, I only use it from nine a.m. to six work hours. And then I just leave it. Oh my God, what do you do for fun? Well, so I'm trying. I mean, I, I, you're real killer in your night times. What do you do? No, I guess, I mean, I do have it on me sometimes. I just use airplane mode all the time. So you just can't contact me. Like I just won't see any messages. What do you just use it as a clock? Or like if I were working out, I'll use headphones or music. Right. Okay. But that's it. Wow. So after six p.m., if I text you, you're just not going to get it or like you get an Instagram comment or something. You just don't look at it. No, I don't look at Instagram comment. No, no, of course not. No, if you called me, I would probably see your number and pickup. But if

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it's anyone else, I'm not like, if it's, if you're outside the circle, yeah, I'm not going to talk to you. Well, good for you, man. That's, that's really good. I think that's, I think you're saying it like it's a normal thing. And when you say it all out, it sounds perfectly reasonable. I think like less than 1% of people. Well, let me tell you this, this quick story I heard about on Earl Nightingale. You know what Earl Nightingale is? No, what's that? So he's this, he was around in the sixties, probably the forties and fifties actually, and he was a radio host and he would tell interesting stories, but he was also kind of business minded to a lot of like, he was like the Tony Robbins of the day. And he told the story about how he went to a farmer's house one time. And this was right when phones just got created. And he was at this farmer's house. I forget what he was talking to him about, but the farmer's phone was ringing and it was going off and going off. And Earl was just kind of looking at the farmer and the farmer just kept looking at them and having a normal conversation. And then the phone went away and then it started ringing again and kept going. And Earl finally goes, Hey, you know, mister, like your phone's been going off. Aren't you going to answer that? And he goes, why would I answer that? He goes, well, someone's calling you. But he goes, sir, I installed this phone in here for my convenience, not their convenience. And I don't feel like answering it. Right. And that's now how my opinion now toward my phone is, is like, no, this is here for me, not for anyone else. I similarly, I picked up a phrase like that, that I'll share that I've been, I've been like kind of playing with that. I don't know if I'm like fully adopting this because I feel like a dick when I use it. But my brother-in-law was talking, I was talking to him the other day. And he's a, he's a successful guy in business. And he was like, he was talking about, I was asking about like a tax accountant. And I was like, yeah, my tax accountant's saying this and I'm saying this. He goes, I was like, how do you do it? He was telling me how he runs his relationship with his tax account. I was like, oh, wow, that's kind of strange. Like, why do you do it that way? Or like, don't they ask or don't they, don't they like want you to do XYZ? And he's like, are they paying me or am I paying them? And I was like, you're paying them. He goes, okay, so then we're going to like, if I'm paying you, then we're going to do this a certain way. And if you're paying me, we're going to do it a certain way. He goes, so many times you see people who pay someone for a service and then cater to the other person as if they're being paid by them. And I started to see this. At first, he said, I just kind of laughed it off. I used to do my cleaning lady. I, I cleaned my house before the cleaning lady firms. Yeah. I changed my plans for her. I'm like, Sarah, we are not like, I'm not fixing this. I'm paying this woman to do it. Right. I think I even said this to Dan the other day. I was like, Dan was talking something about like the schedule of this, of like our recordings or whatever. He's like, oh, it's getting real late, you know, because you guys are always like kind of last minute on your deadlines. And I just had to kind of say it. And I was like, I feel like a dick saying this, but I honestly, like, it's this is again, this is the situation. Dan, are you paying me to record this? Or am I paying you to edit this thing? Right? Like, which way does it go? Cause right now you're telling me how I need to do it, but I pay you to put this podcast out. Right. So like, again, it feels like a total asshole thing to say in a mentality. But man, it's like been very effective. I've used this like 10 or 15 times the last two months of just reminding myself, what is the arrangement here? Oh, person from the bank is calling me. Hold on. Wait a minute. Do you, do I work for you? You work for me. Hold on. Which way does this go? Okay. Yeah. Yeah. All right. And now I remember, let's do it this way instead.

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And like fights my kind of like just nice guy get pushed over instincts. All right. Anyways, back to this app real quick. So they have a, the main app, the one I think that's blowing up for them is called Blocker X. And basically you just go on your phone and you basically set it to disable your ability to go to adult sites, maybe on some timer or maybe just like permanently, I don't know. Let's take a self blocking thing and blocking these sites is actually not that easy. And so you want to be able to block this without blocking other sites accidentally and without letting you get through. And so you, and so they basically have this combination of things between like a community of people, like peers, like alcoholics, anonymous, like, here's a bunch of other people also trying to improve themselves this way. Here's a tool, a blocker. Here's like gamification, a streak, or like points you're getting for continuing on. And I just thought this kind of interesting, like is there a modern day AA, like if people are right, that social media is the new smoking, right? That all this like kind of like overload of technology, overload of digital news and information and social media is making us unhappy and lonely. Then isn't somebody going to build the like AA for that? Like that kind of makes sense to me, even though on the surface this sounds like a weird idea. What are you? So I'm trying to, yeah, I think this is great. But let me put some stuff in perspective. So I actually use a site like this. I don't use it for porn, but I use it for Facebook and Twitter and things like that. And so I wish I could share my screen right now. But if I go to Twitter right now, it says, shouldn't you be busy working? And I use this thing called Stay Focus. Stay Focus is a Google Chrome. Yeah, it's a Google Chrome extension. I love it. And I just sent it to you. According to Stay Focus, the cool thing about doing research on Chrome extensions is they tell you roughly how many users they have. So they have roughly 600,000

users, but the biggest person in this space who haven't done a significant amount of research for, they have, it's called, it's called a block site, the thing I sent you. Read out how many users that has. Block site, it says a million plus. Crazy, right? Right. So that's pretty good. That shows us there is a lot of demand because Chrome extensions are not like mainstream or like that easy to like find. So if a Chrome extension has a million users, that is a strong validation of demand. It's huge. And so when I look at what these guys are doing, it's kind of interesting. So what's it called again? I got to pull it up. How do you pronounce it? Altmana? Atmana? Their name is not the best. Atmana. Not a good name. So I'm looking at what they're doing.

It's basically, it starts with a Chrome-esque extension business and then offers more features to get you. Well, I think there's a mobile app. I think that's, I think it's the same as what you're talking about, but with the mobile app as far as like their go-to-market. And I think that's actually, I actually think that's a brilliant way to spin a thing that's already been around and to spin it a little bit differently. And I'm on board with this. I think this is great.

So the way we were talking about Chrome extensions, if you go to the Chrome extension store, you can see how many downloads it has. So Google Play does the same thing. So if you click their Google Play button, you scroll it onto the bottom of any app on Android, you'll see installs. And this says it'll say either like less than 10,000, 100,000, in this case, 500,000, and then it'll say a million. This one's at 1 million plus. So you know it's between 1 and I think 10 million is the next cutoff. So it's somewhere between 1 and 10 million installs on Android, which again, that's no fucking joke. I should invest in this. This is a good idea.

And I actually just researched them. So they used to be called this thing called fund switch technology. So when I heard that name fund switch, I was like,

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I have a feeling that they started exactly how I thought. And I went to the fund switches, fund switches linked in and it said, mobile first solution aimed at getting people, sorry, helping millennials overcome digital addictions and helping mental health. Sorry, I'm just reading this as we go, are aimed at using the latest techniques and mental health to assist people suffering from those digital addictions. Basically, it was a Chrome as plug-in and they just spun it to be this porn thing because they saw that's the big market to be in. So I think it's really cool. I have a feeling that's what happened. I'm just doing all this research, like as we're talking, but kind of interesting.

Okay, let's do Chrome. All right. So I had this idea while I was laying in bed this morning. So my trainer has me do this exercise. What is it called? It goes Kegel exercise. It's a Kegel for my brain. Basically, it's a quick, like two minute thing you do in the morning, which is called the events of the day go my way. You just sort of imagine your day going the way you want. And it's very simple. And we do the same thing at night as a revision, which is you reimagine something, some part of your day that didn't go the way you want. You don't even try to correct it and self-help and ask why what's wrong with you. Why am I such an idiot? You just reimagine it going good. And then you go to sleep. And this is like such a lightweight mental hack. But anyways, I was doing it this morning and I was imagining this podcast going great. I'm imagining you saying, that is a great idea. And this is what came to my mind. So then the idea came, which is how crazy is that? I imagine you saying, this is a great idea. I had a great idea. It came on brain within like 20 seconds. So here's the idea. A Chrome extension that pays you for the sites you go to. Okay, let's start there. Why would a Chrome extension pay you to go to a website? Well, websites want traffic, right? That's what most ads are. So a website, like I say, I have an e-commerce store. I know that a visitor on average, the right visitor is worth somewhere between \$3 and \$5, let's say, just based on the conversion rate and the average order value. And so I would be willing to pay \$1 for you to come visit my site. So here's what I'm imagining. You install a Chrome extension. The Chrome extension tells you, hey, Sean, ESPN will pay you \$0.30 right now to go to their website. Reddit will pay you \$0.20. That pet store that you buy from, they'll pay you \$1 to come to the site. Just click the button, go there, and you just have to be there for 30, 60 seconds or whatever, and then you'll unlock the bounty. And it'll just go into your little piggy bank right here in the browser. It's a little piggy bank icon. Okay, so I believe that on one side, you could get brands to basically buy traffic through a Chrome extension. And the money goes to the user, either split with the Chrome extension or just all to the user in this case. And the user goes there and the user says, oh, easy, I just have to go to the site. I don't have to buy anything, no problem. But you go to the site, you basically bought their attention, you bought their impression, and they may see something new, they may convert, they may check out some new product that you have, because that's where you drove them to. Now, how does this end up paying off? Well, two interesting things happen here. The first, let's say my wife is a big shopper. Okay. Traffic is going to be worth a lot more than my traffic because I'm a shit each time, I barely shop. I just go look at information, I steal it and I run away. So I might get low bids, she might get high bids. How does it know what to bid? Well, it's a Chrome extension, it sits in my browser, it sees how much I spend, it sees what sites I go to, it creates a value score for me. And so it knows what I'm worth. The second thing is, when I go to, let's say now, so that's the first part, it's like page rank, but for users, users are worth some different amount based on the sites I go to and how much

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they spend. It's like unbundling the Facebook ad system. So now the second thing is, let's say now I'm on news website, and news websites always want to do this like micro payment thing. They want me to subscribe 10, 99 a month or whatever, but I don't want to do that. But I would pay like four cents for an article. I would pay two cents. And this idea of like ultra micro payments has been around for a while, people want to do this with crypto, people want to do this with different things. But if you first did the piggy bank thing by letting users get paid, then you could go to publishers and say, hey, pay all this for like two cents using that same plugin. We have six million members who get paid daily using our thing. Their piggy bank has money in it. They don't have to put in a credit card ever. They can just do like tiny micro payments on their favorite sites when they go there. So I think you could build a pretty, I think you would change the way the internet works if you, if you did this. All right. Tell me about my idea. Okay. So this is not, I don't think new, right? Like the idea of like making a little bit of income from the ad arbitrage and incentivizing you to go to a, I mean, this is like, what would I use today if I wanted to get paid? If I wanted to open up my browser and see some offers to make money to go to some of some websites that want me to go there. You know the penny hoarder? The kind of like blog website? Yeah, they made 80 million a year doing something like that. And so kind of like that. So they would, they would show all the latest deals and all the latest like free stuff that you can get. And they would make a little bit of money by sending people there and making that affiliate. But you have to go to the penny hoarder, right? Yeah. So different, but same, similar, but different. Correct. So there's this guy named Dan that one of our friends invested in and told me all about it. And he, he's like, oh, this is, this is a scam. Now that's my friend's words. Sorry, Dan, don't hold me to this. But I sent you a link to it. It's called currentmobile.us. And that's a similar promise to what this guy made was basically you're going to get paid for browsing the internet passively. And I, and I imagine that it was something like we will pay you that ad arbitrage. And I'm almost positive that it was like the number one app in the iTunes store for like a very short amount of time, but number one, nonetheless. And I don't know what happened to us. But I remember he last raised \$40 million, but looks like you're thinking that this isn't doing gangbusters anymore. He raised, I think he raised \$40 million through a, what's it called an ICO? A token offering. Okay, gotcha. Yeah. So he's got current token. Yeah. So there's like a bunch of like stuff around here that it doesn't make sense to me. So brave, brave browser also has like a similar idea. The brave browser has bat, which is the basic attention token. So you earn it by going to sites or whatever. And then you pay, you know, you're basically like advertisers can buy the token to get your attention. You can, you can basically like pay the token to like see websites or whatever. But you got to be using a brave browser, which is a great browser doing well. Yeah. Brave browser has like 10 million users or something like, yeah, this is a great idea. You're just suggesting doing it on Chrome. Yeah. I think that's a wonderful idea. Yes. Right? All right. My, my, my imagination has, has, my imaginal act has turned into fact, as they say. I think that's a great idea, right? I think it's a great idea. That's why I said it. I thought I was excited about it. I think that, I think that somebody could do this. It's like honey, right? Like honey is the Chrome extension that basically says, cool, you just go around shopping on the internet. We'll tell you when we could save you money because there's like a discount or a coupon. And then they started shoving in like kind of some ad slots that was like,

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hey, this person's not even necessarily looking at this product, but you could make them an offer here. And so I think that's, I think that it's honey, but it's for your foot traffic. Basically, what is your foot traffic worth? It's worth something. That's a great way to, and that's a great way to phrase it. Facebook catches all the value. Google catches all the value of your foot traffic. You get none of that value. And so what I think is that if you could opt in and say, I'll get paid for my foot traffic, I'd like to see what my foot traffic is worth. You put the Chrome extension in, you start getting offers, you start earning a piggy bank, and then that can be used to just either you take the money out, or you can pay for things on the websites you go to. And I know that websites will pay for the right foot traffic if it performs. And I see no reason why this wouldn't perform. All right, let's wrap it up. Dan, tell us how we did. How was this episode? Episode was good. I liked all the ideas. I'll give you a nine out of 10. All right, solid.