

Moe. T.

From: Gary Thomas [Gary@ittrafficnetwork.com]
Sent: Tuesday, February 20, 2007 1:44 PM
To: 'Jeffrey Applebaum'; 'jeff.applebaum'
Cc: moe@zaazoom.com; 'Tim Michael'
Subject: processing fee justification

Jeff

Here is the justification for us wanting to move the initial processing fee. We keep very detailed statistics on attrition and profitability. As I mentioned, we have been doing this type of marketing since 97.

If you review a 30 day snapshot below (dec 1 through dec 3st) you will identify that during this period we ran both \$5.95 and \$.99 processing charges. Please take note that we converted 63.64% to a first tim billing at \$5.95 and further note that we only converted 46.32% with the \$.99 processing fee.

You will also see our "active subscriber base" is larger with the higher processing fee.

We all make more money with this adjustment based on these factual findings.

I would like to also revisit the AIG issue...I believe we can increase our conversions 15% across the board.

Let me know if you have any questions on this.

Stats from 12/01/2006 to 12/31/2006

ID	ProductID	Name	Initial Amount	Recurring Amount	Initial Signups	Active	Charged	Total Sales	Income	Rebill 2	Rebill 3	Rebill 4	GPM
0	999	Processing Fee	5.95	0.00		(0%)	(0%)	396	\$2,356.20	0 (0%)	0 (0%)	0 (0%)	5.95
1	1000	Credit Monitoring Product	0.00	22.91	396	125 (31.57%)	252 (63.64%)	445	\$10,194.95	163 (41.16%)	30 (7.58%)	0 (0%)	25.74
2	1001	AIG Identity Theft Protection	0.00	14.86	73	20 (27.4%)	36 (49.32%)	58	\$861.88	20 (5.05%)	2 (0.51%)	0 (0%)	2.18
	SubTotals				469	145 (30.92%)	288 (61.41%)	899	\$13,413.03	183 (48.21%)	32 (8.08%)	0 (0%)	33.87
0	1002	\$1 Processing Fee	0.99	0.00		(0%)	(0%)	147	\$145.53	0 (0%)	0 (0%)	0 (0%)	0.99
1	1000	Credit Monitoring Product	0.00	22.91	147	38 (25.85%)	69 (46.94%)	114	\$2,611.74	45 (30.61%)	0 (0%)	0 (0%)	17.77
2	1001	AIG Identity Theft Protection	0.00	14.86	71	22 (30.99%)	28 (39.44%)	47	\$698.42	19 (12.93%)	0 (0%)	0 (0%)	4.75
	SubTotals				218	60 (27.52%)	97 (44.5%)	308	\$3,455.69	64 (43.54%)	0 (0%)	0 (0%)	23.51
	Totals				687	205 (29.84%)	385 (56.04%)	1207	\$16,868.72	247 (168.03%)	32 (21.77%)	0 (0%)	23.51

Jeffrey

Gary Thomas

Cellular 310-505-0000
West Coast Office 480-483-1200
Global Facsimile 310-861-4040

Marketing, Support, and Consulting Services to
E-Commerce Companies Worldwide

ICQ 173644034
Yahoo ID btohevizza