

[This was the article that was published in today's NY Times Business Section](#)

First, the headline.

“Mark Cuban Is Mad (Again). But Why?”

I didn't know I was mad about anything. I guess if the NY Times says I am, I must be. But rather than me guessing how they got from interview to headline and article, I will just let the interview speak for itself.

Here you go!

Mark,

I'm writing at the suggestion of Robert Hart. I'm a business reporter and columnist for The New York Times. (Alex Berenson is one of my best friends.) I'm working on a column for this Sunday about the controversy surrounding the sale of register.com. Specifically, I'm looking at whether investors like you should be as upset as you seem to be about the sale.

Robert said that you typically like to do interviews by email rather than phone. So, below are a couple of questions I'm hoping you may answer.

(Answer as many or as little you like in any order.)

- 1) Clearly the sale price of register.com was lower than you and many other investors – some who may have followed your lead into the stock – believed the company would be sold for. Why did you expect it to be sold for so much more?
- 2) Are you surprised the Yahoos and Googles of the world never bid?
- 3) If you think it's such an undervalued business, why didn't you make a bid yourself?
- 4) Do you think the auction was somehow rigged?
- 5) I'm told Barrington's final bid – which will come out in the proxy shortly – is a couple of cents lower than Vector's final bid. Do you think Barrington's motives are the same as yours? Some critics have contended that Barrington is trying to takeover the company on the cheap through the proxy contest. What do you make of that?

That's about it. Of course, if there's anything else you want to tell me, please do. If it's at all possible to get back to me today, I'd be terribly grateful.

Thanks so much.

Best,

Andrew

From: mark cuban [mailto:mark.cuban@dallasmavs.com]

Sent: Thursday, August 18, 2005 4:07 PM

To: sorkin@nytimes.com

Cc: mark@hd.net

Subject: Re: nytimes interview re: register.com

>

> I'm writing at the suggestion of Robert Hart. I'm a business reporter

> and columnist for The New York Times. (Alex Berenson is one of my best

> friends.)

Im sorry ■

> I'm working on a column for this Sunday about the controversy

> surrounding the sale of register.com. Specifically, I'm looking at

> whether investors like you should be as upset as you seem to be about the sale.

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> Robert said that you typically like to do interviews by email rather

> than phone. So, below are a couple of questions I'm hoping you may answer.

> (Answer as many or as little you like in any order.)

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> 1) Clearly the sale price of register.com was lower than you and many

> other investors – some who may have followed your lead into the

> stock – believed the company would be sold for. Why did you expect it

> to be sold for so much more?

Its worth much more. A simple analysis to compare it to comparable companies show the expenses clearly out of whack.

>

> 2) Are you surprised the Yahoos and Googles of the world never bid?

Not at all. Its not their business. Register.com has a legacy business to build on and cash flow to return to investors if it gets its expenses in line. Thats not the type of business they go after.

>

> 3) If you think it's such an undervalued business, why didn't you make

> a bid yourself?

Im not in a position to run the company. My goal was to work with the new board that would have been voted in during the next shareholder meeting in a couple weeks to help the company

>

> 4) Do you think the auction was somehow rigged?

Rigged ? I dont know if it was rigged, but i think the board definitely incented themselves to sell the company. There is so little board and management ownership(the only board member with substantial ownership filed a proxy leaning against the deal) that their greatest reward came from change of control bonuses they gave themselves. Plus I think much of the board just wants out.

Thats not conducive for doing whats best for the company.

>

> 5) I'm told Barrington's final bid – which will come out in the proxy

> shortly – is a couple of cents lower than Vector's final bid. Do you

> think Barrington's motives are the same as yours? Some critics have

> contended that Barrington is trying to takeover the company on the

> cheap through the proxy contest. What do you make of that?

If its lower than Vectors, I would vote against his bid as well

>

> That's about it. Of course, if there's anything else you want to tell

> me, please do. If it's at all possible to get back to me today, I'd

> be terribly grateful.

>

> Thanks so much.

>

> Best,

> Andrew

>

>

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thanks for being so responsive, mark.

three quick follow ups:

1) Assuming you can get the deal voted down, what do you want the company to do going forward?

2) From what I know about you, you're a big believer that the market I usually right. In this case, you believe register is undervalued. Why doesn't the market? Why do you suspect no one else has shown up with a better offer? Who did you think was going to want to acquire this asset?

3) Compared to your other investment experiences, how does this situation compare?

thanks again for all of your help.

best,

andrew

From: Andrew Ross Sorkin [mailto:sorkin@nytimes.com]

Sent: Thursday, August 18, 2005 6:06 PM

To: mark cuban

Subject: RE: nytimes interview re: register.com

thanks for being so responsive, mark.

three quick follow ups:

1) Assuming you can get the deal voted down, what do you want the company to do going forward?

Hold a shareholders meeting so we can either vote in the proposed slate, or propose a new slate.

2) From what I know about you, you're a big believer that the market I usually right. In this case, you believe register is undervalued. Why doesn't the market? Why do you suspect no one else has shown up with a better offer? Who did you think was going to want to acquire this asset?

Actually I rarely think the market is right. I believe non dividend stocks aren't much more than baseball cards. They are worth what you can convince someone to pay for it.

Valuing stocks can be a marketing effort as it is with most stocks, or in some cases, the companies are positioned to generate profits, cash and return that cash to shareholders. Register.com has been profitable and cash flow positive in spite of the problems I mentioned. That's what makes it attractive to me.

I don't think wall street likes stocks that would benefit from shareholder activism. It likes stocks it can market to the next buyer.

3) Compared to your other investment experiences, how does this situation compare?

Very analogous. I take my biggest positions in stocks that are complementary to other things I am doing. LGF and HDNet and Landmark. Register.com and is complementary, with netidentity.com, redswoosh.net, TuCows and Icerocket.com

Rentrak (Rent) and Charter

Companies I have various levels of equity or debt investments in. Being a large shareholder can allow me to develop relationships with management and help with business relationships and value creation in both directions.

thanks again for all of your help.

best,

andrew

Mark,

Thanks so much again for your responses. The column will appear on Sunday. So you know it's coming, you should know the column concludes that you and Barrington may not be on the right side of this little skirmish. I've done a lot of reporting around the auction process and the company's valuation and I'm a bit skeptical that there's a lot more value in register.com in the near term.

While I'm sure you won't love the piece, I hope you'll think it's at least a somewhat thoughtful look at the issue. And as a guy who's pretty outspoken yourself, I hope you can respect someone on the other side of the issue. Notwithstanding my view on this specific subject, I have an enormous amount of respect for you.

Thanks again.

Best,

Andrew

From: mark cuban [mark.cuban@dallasmaavs.com]

Cant disagree on barrington

And rarely is the best way to get value out of a company that has been poorly run through an auction process. That's typically the worst possible way to get value.

Like I said, the market is usually the last to recognize value.

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So, there you have the email chain.

From all the above, it somehow got put together as this [article](#).

I responded to what I hoped would be an interesting discussion about the merits of a company based on a referral from someone I respected, from a newspaper I respected.

Instead, the article was more a personal attack than a representation of our email exchange. Furthermore, even after the above exchange, the author preferred to quote the press release saying why I wouldn't vote for the deal rather than our email exchange.

Live and learn.

UPDATE:

Just read the rest of the NYTimes business section and couldn't but help notice the irony of this [article: Corporate Law Class: First what not to do](#)

The first day of class in Law School, the prof showed our [HDNet Films](#) documentary, [Enron – The Smartest Guys in the Room](#), which I co-executive produced. It was used as an example of what not to do.

To quote the professor – "The whole idea was to get them thinking about professional responsibility and professional ethics immediately."