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Bloggers Find Financial Backers For Their Independent News Sites

 By **NICK WINGFIELD**
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As the print media ponder the possibilities presented by blogs, some journalists are raising money to turn their own independent blogs into businesses.

In the latest example, Rafat Ali, the 31-year-old editor and publisher of PaidContent.org and two other news and analysis sites focused on digital media and other high-tech trends, has raised money to expand his Web-publishing business from venture capitalist Alan Patricof.

Mr. Patricof is a veteran technology and media investor who financed Apple Computer Inc. and founded New York magazine. Mr. Ali says Mr. Patricof's firm, Greycroft Partners LP, is investing less than \$1 million for a minority stake in ContentNext Media Inc., the Santa Monica, Calif., parent company of PaidContent.org.

Blog Bucks

Some Web sites run by journalists that have recently raised venture capital:

- **PaidContent.org** – one of several news and analysis blogs focused on digital media run by Rafat Ali
- **Sharesleuth.com** – a soon-to-launch investigative-finance site started by Christopher Carey
- **GigaOm.com** – Om Malik's blog about broadband technologies


Source: WSJ reporting

The financing, though small in comparison with most Web deals, is one of several in recent weeks that indicate optimism on the part of early-stage investors in the viability of blogs as an outlet for journalism, rather than the gossip and personal opinion that characterizes much of the medium.

Mr. Patricof says niche publications on the Web are a "great place to be," with lower investment requirements and easier spinoff opportunities than print media. "To start a magazine today would cost a minimum of \$15 million to \$25 million, and you have to spend through three or four years of losses," Mr. Patricof said. With blogs, "the economics are a lot better."

Om Malik, a contributing writer for Business 2.0, will soon leave his full-time job at the magazine after raising less than \$1 million from True Venture Partners for GigaOmniMedia Inc., the parent company of his blog focused on the broadband market, GigaOm.com. Mr. Malik started the site

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six years ago as a place for his résumé and for details from his reporting at Red Herring magazine, his employer at the time.

Meanwhile, Christopher Carey, a veteran investigative business reporter for the St. Louis Post-Dispatch, has left the newspaper to create Sharesleuth.com LLC, a Web-publishing venture that Mr. Carey says will focus on ferreting out cases of fraud and other misdeeds from corporate filings with securities regulators and other documents. Mr. Carey raised an undisclosed amount of money for the venture from Mark Cuban, owner of the Dallas Mavericks basketball team and several other companies.

Mr. Ali started PaidContent.org four years ago when he couldn't find work after two publications he wrote for, Inside.com and Silicon Alley Reporter, shut down. His site has since developed a following among people interested in how the Internet and other technologies are affecting the media business. The pages of PaidContent.org and two sister sites devoted to the mobile and Indian online-media markets -- MocoNews.net and ContentSutra -- collectively are viewed five million times a month by visitors, Mr. Ali says.

Mr. Ali says ContentNext will generate more than \$1 million in revenue this year from advertising and event sponsorships, up from about \$60,000 three years ago, and the company is profitable.

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